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FINAL REPORT

THE NORTHERN ILLINOIS MANAGEMENT MODEL FOR EMPLOYMENT TRAINING AND ECONOMIC DEVELOPMENT

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July 25, 1983

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TABLE OF CONTENTS

COMPONENTS OF MARKETING PLAN

INDUSTRY-EDUCATION-LABOR COLLABORATION PROJECT -- Report Summary

REPRINT FROM MARKETING MANAGEMENT -- Chapter 2: The Planning Process

VOCATIONAL EDUCATION -- ITS ROLE IN ECONOMIC DEVELOPMENT & HIGH TECHNOLOGY

ILLINOIS EMPLOYMENT AND TRAINING COUNCIL AND THE STATE ADVISORY COUNCIL ON VOCATIONAL EDUCATION PUBLIC HEARING (November 16, 1982)

IF PRODUCTIVITY IS THE PROBLEM...

ECONOMIC AND HUMAN RESOURCE DEVELOPMENT REQUIRES COOPERATION OF EDUCATION AT ALL LEVELS, HUMAN RESOURCE AGENCIES, AND ECONOMIC DEVELOPMENT AGENCIES (Exhibit C)

KEY TO STATE OF ILLINOIS PLAN FOR ECONOMIC DEVELOPMENT IS FOUR UNIVERSITY-BASED CENTERS SERVING REGIONS OF STATE (An Economic Development Model)

ORGANIZING FOR ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT CORRESPONDENCE

THE ECONOMIC DEVELOPMENT OPPORTUNITY -- A Guide for Building VTAE District-Community Partnerships for Economic Development

WAUBONSEE COMMUNITY COLLEGE: BUSINESS & INDUSTRY INSTITUTE SERVICES

STEPHENSON AREA CAREER CENTER: Informational Brochure

A PLAN FOR ECONOMIC DEVELOPMENT IN THE STATE OF ILLINOIS -- AN EDUCATOR'S PERSPECTIVE

A PLAN FOR ECONOMIC DEVELOPMENT AS PERCEIVED BY...

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COMPONENTS OF MARKETING PLAN

I Situation Analysis - Diagnosis

1. College mission, objectives, growth strategies
2. Macroenvironment
3. Customers
4. Faculty
5. Facilities
6. Equipment
7. Creditability

II Evironmental Analysis of Opportunities

1. Identify new product opportunities through

    a. environmental scanning
    b. new products committee
    c. other sources:
        competitors
        customers
        faculty & staff
        top management

2. Target Market Selection - Segmentation

III Statement of Marketing Objectives

IV How to Reach Above Objectives - The Marketing Mix

A. product
B. place
C. price
D. promotion

V Tactics

A. Positioning your organization for success
B. Creation of Strategic Business Unit
C. Differentiated Marketing

    1. Co-sponsored programs
    2. Customized training on site
    3. Generic seminars

D. Advertising and Public Relations

    1. Company
    2. Individual products

E. Quality Control

FLEXIBLE ACTIVITIES SCHEDULE

	DEC.	JAN.	FEB.	MARCH	APRIL
FOCUS GROUPS	28	15			Follow up

MARKETING TERMS

Marketing Plan - is a written report which describes specific products and markets and the tactics used to obtain marketing objectives.

Differentiated Marketing - entering several markets with several different products in order to increase sales and assure deeper penetration in segments.

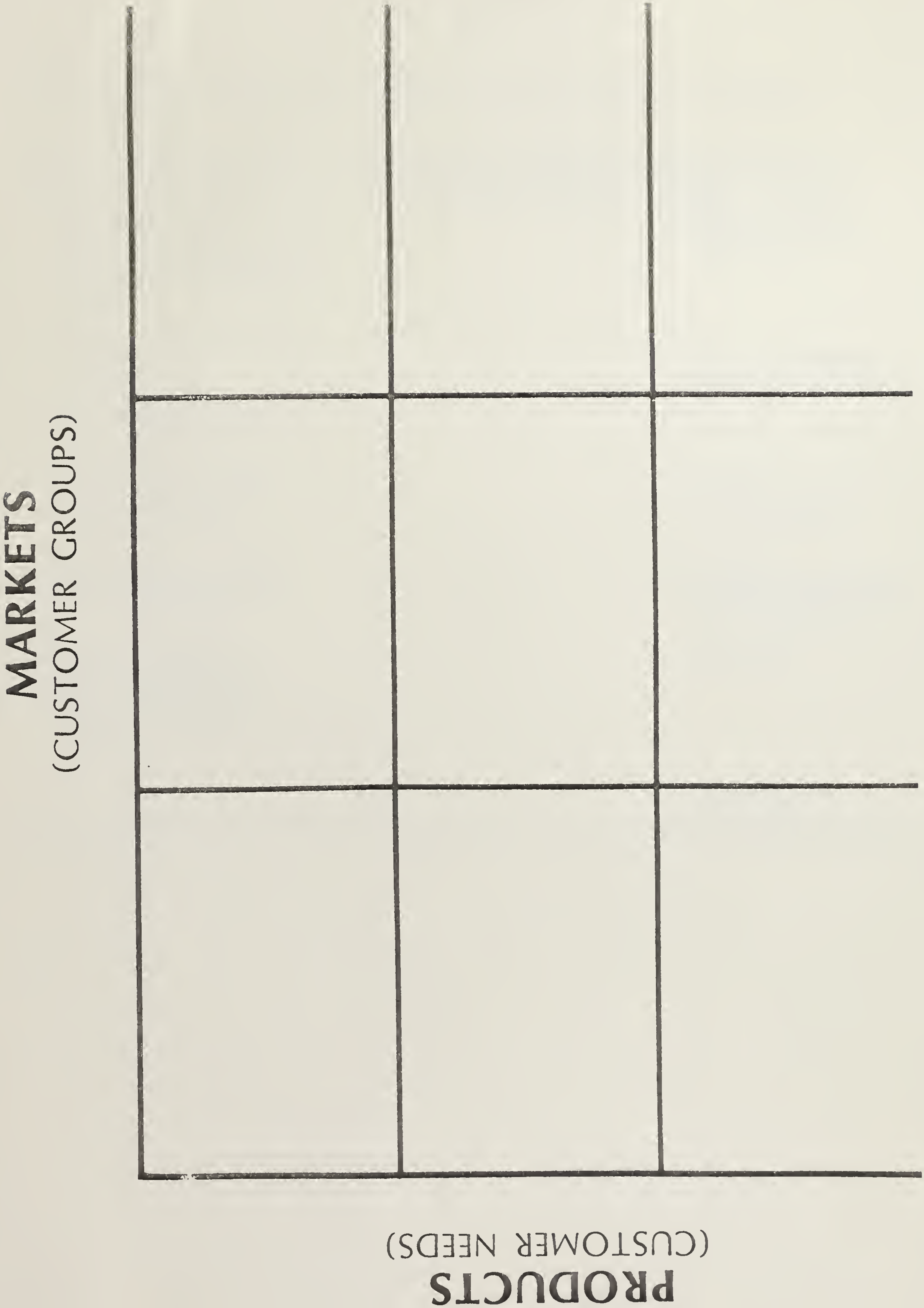
Company Marketing Opportunity - an environmental opportunity which can be well served by a company's distinctive competencies.

Environmental Opportunity - an unsatisfied or incompletely satisfied customer need which exists in the environment.

Market Segment - breaking the total market into different groups that differ in their requirements, buying habits, etc.

Target Market - the market a company has decided has best opportunity for success after analyzing the product features and market needs.

Distinctive Competencies - that set of things which an organization does especially well, their "competitive edge".


MARKETS
(CUSTOMER GROUPS)
PRODUCTS
(CUSTOMER NEEDS)

Identify benefits sought by new customers. Benefits translate to products.

Elementary/Secondary School	Area Vocational Centers	Community Colleges
1. Inform students, teachers, and parents about this evolution from industrial society to information society.		1. Provide trained labor pool.
2. Develop work ethics in students.		2. Hub of community sponsor activities.
3. Help students acquire employment skills.		3. Career counseling.
4. Insure that students acquire basic skills in Math, Reading.		4. Employees testing and assessment.
5. PR about what education is doing to keep USA competitive.		5. Technical assistance to local businesses and industries.
6. Enlist support of business and government leaders, especially in lobbying efforts.		6. Data Base.
		7. Training needs assessment.

Table 1–1

MARKETING EFFECTIVENESS RATING INSTRUMENT

Customer Philosophy

A. Does management recognize the importance of designing the organization to serve the needs and wants of chosen markets?

Score
0 ☐ Management primarily thinks in terms of offering current and new services to whoever will buy them.
1 ☐ Management thinks in terms of serving a wide range of markets and needs with equal effectiveness.
2 ☐ Management thinks in terms of serving the needs and wants of well-defined markets according to their importance.

B. Does management develop different offerings and marketing plans for different segments of the market?

0 ☐ No.
1 ☐ Somewhat.
2 ☐ To a good extent.

C. Does management take a broad view of its publics (members, donors, general public, competitors, etc.) in planning and running the organization?

0 ☐ No. Management concentrates on selling and servicing current members.
1 ☐ Somewhat. Management takes a broad view of its publics, although the bulk of its efforts goes to selling and servicing current members.
2 ☐ Yes. Management takes a broad view of its publics and continuously reviews new opportunities to serve them.

Integrated-Marketing Organization

D. Is there high-level integration and control of the major functions affecting various publics?

0 ☐ No. Various marketing functions are not integrated at the top and there is some unproductive conflict.
1 ☐ Somewhat. There is formal integration and control of major marketing functions but less than satisfactory coordination and cooperation.
2 ☐ Yes. The major marketing functions are effectively integrated.

E. Do marketing managers work well with management in other parts of the organization?

0 ☐ No.
1 ☐ Somewhat.
2 ☐ Yes.

F. How well organized is the new service development process?

0 ☐ The system is ill defined and poorly handled.

Table 1–1

MARKETING EFFECTIVENESS RATING INSTRUMENT (continued)

1 ☐ The system formally exists but lacks sophistication.
2 ☐ The system is well structured and effective.

Adequate Marketing Information

G. When were the latest marketing research studies of customers, buying influences, channels, and competitors conducted?

0 ☐ Several years ago.
1 ☐ A few years ago.
2 ☐ Recently.

H. How well does management know the needs and market size of different market segments?

0 ☐ Not at all.
1 ☐ Somewhat.
2 ☐ Very well.

I. What effort is expended to measure the cost effectiveness of different marketing expenditures?

0 ☐ Little or no effort.
1 ☐ Some effort.
2 ☐ Substantial effort.

Strategic Orientation

J. What is the extent of formal marketing planning?

0 ☐ Management does little or no formal marketing planning.
1 ☐ Management develops an annual marketing plan.
2 ☐ Management develops a detailed annual marketing plan and a careful long-range plan that is updated annually.

K. What is the quality of the current marketing strategy?

0 ☐ The current strategy is not clear.
1 ☐ The current strategy is clear and represents a continuation of traditional strategy.
2 ☐ The current strategy is clear, innovative, data-based, and well reasoned.

L. What is the extent of contingency thinking and planning?

0 ☐ Management does little or no contingency thinking.
1 ☐ Management does some contingency thinking although little formal contingency planning.
2 ☐ Management formally identifies the most important contingencies and develops contingency plans.

tivities. Thus the college president reacts to a decline in enrollment by increasing the budget of the admissions office to permit hiring more recruiters, sending out more direct mail, and improving the looks of the college's brochures. These sales-oriented steps will undoubtedly work to produce more customers in the short run. But their use in no way implies that the college has moved into a marketing orientation that would generate higher sales in the long run. A sales orientation is defined as follows:

> A **sales orientation** holds that the main task of the organization is to stimulate the interest in potential consumers in the organization's existing products and services.

MARKETING ORIENTATION

We can now clarify the meaning of a marketing orientation against the background of these other orientations. Some organizations have discovered the value of focusing their attention not on production, products, or sales, but on meeting their customers' changing needs and wants. They recognize that production, products, and sales are all means of producing satisfaction in target markets. Without satisfied customers, these organizations would soon find themselves "customerless" and tailspin into oblivion.

"Customer-centeredness" is attained in an organization through hard work. The organization must systematically study customers' needs, wants, perceptions, preferences, and satisfaction—using surveys, focus groups, and other means. The organization must act on this information to improve its products constantly to meet its customers' needs better. The employees must be well selected and trained to feel that they are working for the customer (rather than the boss). A customer orientation will express itself in the friendliness with which the organization's telephone operators answer the phone and the helpfulness of various employees in solving customer problems. The employees in a marketing-oriented organization will work as a team to meet the needs of the specific target markets that are to be served.

It is clear that different organizations within the same industry will vary in the degree to which they truly work for the customer. Consider a service industry such as the airlines. Recently, a British guidebook publisher decided to rate the quality of fourteen different airlines as an aid to air travelers.[19] The staff boarded forty-three transatlantic flights armed with tape recorders and evaluated each trip on such factors as check-in service, baggage delivery, food, cleanliness, friendliness, and response to special stress situations such as asking for aspirin, and so on. The scores were combined in a weighted index with a maximum score of 100, and the results showed a great variation, with Delta topping the list at 77 and the worst airline scoring only 36. Airlines and other service institutions can show considerable differences in the degree to which their operations reflect a sensitive and caring attitude toward their customers. We define a marketing orientation as follows:

> A **marketing orientation** holds that the main task of the organization is to determine the needs and wants of target markets and to satisfy them through the design, communication, pricing, and delivery of appropriate and competitively viable products and services.

SOCIETAL MARKETING ORIENTATION

A marketing-oriented organization faces two problems in committing itself to satisfy customers' needs and wants. First, customers may have wants that are not proper to satisfy, either because they go against society's interests (such as buying handguns) or against the consumers' long-run interests (such as cigarette smoking). Second, customers may have needs which they do not recognize (such as a need for a quality education) that a nonprofit organization may want to press on the consumer for his/her good, even though it may be costly to do. A growing number of marketers see their responsibility to take four factors into account in their marketing decision making: consumer needs, consumer wants, consumer interests, and society's interests. This orientation can be called a societal marketing orientation:

> A **societal marketing orientation** holds that the main task of the organization is to determine the needs, wants, and interests of target markets and to adapt the organization to delivering satisfactions that preserve or enhance the consumer's and society's well-being.

WHAT ARE THE CHARACTERISTICS OF AN EFFECTIVE MARKETING ORGANIZATION?

A marketing orientation contributes greatly to an organization's effectiveness. The organization's effectiveness is reflected in the degree to which it exhibits five major attributes of a marketing orientation. They are:

1. *Customer philosophy.* Does management acknowledge the primacy of the marketplace and of customer needs and wants in shaping the organization's plans and operations?
2. *Integrated marketing organization.* Is the organization staffed to carry out marketing analysis, planning, implementation and control?
3. *Adequate marketing information.* Does management receive the kind and quality of information needed to conduct effective marketing?
4. *Strategic orientation.* Does management generate innovative strategies and plans for achieving its long-run objectives?
5. *Operational efficiency.* Are marketing activities selected and handled in a cost-effective manner?

Each of these attributes can be measured. Table 1-1 presents a *marketing effectiveness rating instrument* based on the five attributes. This instrument is

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The Economic Development Opportunity

A guide for building VTAE district - community partnerships
for economic development

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The Economic Development Opportunity

A guide
for building
VTAE district - community
partnerships for
economic development

GUIDE TO APPENDICES

Appendix A - Adhoc Advisory Committee on Economic Development

Appendix B - Consultants

Appendix C - Guide Development Committee

Appendix D - FVTI Guide Review Committee

Appendix E - Economic Development/ Productivity Guide Assumptions

Appendix F - Bibliography

Appendix G - Resource List

Economic Development

- Helping to make business productive and profitable, while
- Helping to create jobs and qualified workers to fill them

FOREWORD

If Wisconsin is to compete effectively in keeping and attracting business investments, it must develop a concerted effort of all its resources to be attractive and desirable as a place to do business.

This challenge cannot be met by state government alone, nor by individual municipalities acting on their own. Chambers of Commerce can be only minimally effective by themselves, and the system of occupational education, provided by the Wisconsin VTAE system can only be part of the answer. Acting together, however, within a synchronized plan, we can say with confidence, "the goal is achievable."

This guidebook seeks to assist VTAE districts in gearing up for economic development services. The contents of the guide were developed through the advisory input of representatives of business, labor, local and state government, and a variety of service agencies. To all who gave of their time and talent to make this effort possible, we extend our sincere thanks. A detailed list of these advisory team participants is provided in the Appendix.

The contents of the guide are divided into two parts. Part One explains the critical need for enhancing the development of our human resources to boost the lagging productivity of our state and nation. Part Two provides a detailed, step-by-step sequence for developing a local district plan for economic development services. Such a plan can play a meaningful role in the development of latent human resources to the benefit of our state's economy.

Use the guide as a blueprint. Integrate local needs and perspectives. Share the results of your experiences with other districts. Today, perhaps more than ever before, we all have an important share in the economic development stakes.

Robert R. Sorenson, Ph.D.
State Director
Wisconsin Board of VTAE

Stanley J. Spanbauer, Ph.D.
District Director
Fox Valley Technical Institute

EXECUTIVE SUMMARY

Recent years have seen a serious slipping of the U.S. economy. Plants have become idled. Costs of fuel and other essentials have skyrocketed. Productivity gains have slipped, while foreign competition stiffened.

Unemployment lines have grown long.

Lagging business productivity and the gradual shifting of new business expansion into the sun belt states signals a specific challenge for Wisconsin. The Wisconsin System of VTAE has an important role in meeting this challenge.

Vocational-technical education has performed a critical role in the economy of the state for many decades. Today, it can continue to be an important force as we seek to forge a partnership with the business community. This partnership must include those other units, both public and private, which have a vested interest in the economic well-being of our state. Through this partnership we can ensure that human capital essential to business productivity will be available as needed.

This guide will help you to develop a local VTAE district economic development plan, and will help you to implement that plan.

VTAE districts desiring to meet the challenge will need a well thought-out plan for economic development services. This guide presents an eight-step process for developing such a plan.

Your district's economic development services may play a critical role in maintaining a healthy business climate in your community.

The process must build on the support of the local district board, and include the establishment of internal and external advisory groups for economic development. Assessments of available institutional resources and the needs of the business community are critical components of the process. Definition of services to be provided and priorities, based on resources which can be committed, need to be addressed. Organizational structure, marketing strategies, operating policies and procedures, and budgeting considerations need to be integrated into the overall plan. Finally, the district board must review the plan and give the go-ahead for implementation.

The eight-step process presented will result in a detailed written plan for economic development services within your district.

This guide leads you through the eight-step process of developing your district's economic development plan. The result of the effort will be a detailed blueprint of operations for economic development services for your district community.

Section One

Why Economic Development?

WHY ECONOMIC DEVELOPMENT

A Historical Perspective

As we scan our nation's history, we find that vocational-technical education has been a vital resource in boosting the nation's economy at times of national crisis. The Smith-Hughes Act of 1917, our involvement in training over 7,000,000 workers during the World War II era, and our vigorous response to the Sputnik challenge are all vivid reminders of the role our system has played.

Challenge One FOREIGN COMPETITION

In the 1980's, our role in economic issues is changing and expanding. International competition, coupled with the decrease in America's productivity growth, has sparked a national concern for economic development. Occupational education is being asked to join in the effort to strengthen the national economy.[3]

Occupational education is being asked to join in the effort to strengthen the national economy.

Many countries are rapidly gaining on the U.S. in productivity.

Traditionally, the United States has dominated world trade. While other nations struggled with out-of-date and labor intensive production, the U.S. capitalized on its strong industrial base. In the 1970's, however, other nations began to exert themselves as a real force in the world market with high quality, reasonably priced products[4].

Our industrial equipment is twice as old as that of Japan.

Six countries now report a higher percent of skilled workers in the work force than the United States.

These countries have modernized their plants and equipment and upgraded their workers at an astonishing pace. Japan's manufacturing equipment averages approximately 10 years of age compared to about 20 years for the United States. Six countries now report a higher percent of skilled workers in the work force than the United States. Some report that the skill content of our imports now exceeds the skill content of our exports. The Bureau of International Labor Affairs reported that the decline in U.S. trade since the 1960's "is the result of the differences in the growth of net real investment in equipment and acquisition of labor skills through education and training[5]."

Productivity levels of many other nations have shown continuous increases. At the end of World War II, the level of American productivity was almost double that of the United Kingdom and France, three times the level of Germany and Italy, and seven times that of Japan. By 1973, Japan's and West Germany's rates of productivity growth increased to over twice that of ours, especially in manufacturing. Though we remain the most productive work force in the world, the overall level of productivity of the United States will be surpassed soon by a number of other countries unless we respond[5].

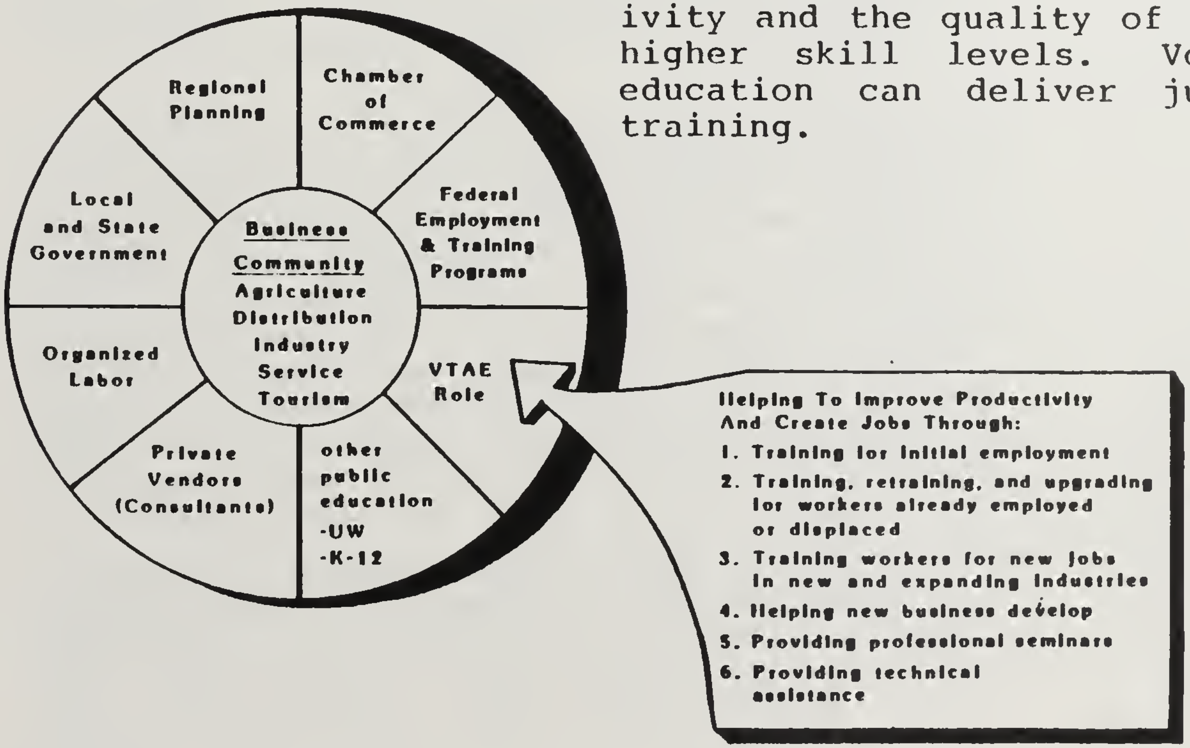
Productivity of the United States will be surpassed soon by a number of countries ....

The economic impact of foreign competition and high levels of productivity in other nations could be devastating for the U.S. Inflation, unemployment[6], underemployment[7], a lowering of our standard of living--already down from first to fifth in the world[8]--social and political unrest[9], and a weakening national defense posture[10] could all be products of continued lagging productivity and increased foreign competition. Our future economic stability will depend on how we respond.

The economic impact of foreign competition ... could be devastating for the U.S.

New technologies and new management practices--vocational/ technical education can deliver this type of training.

To meet this challenge, we must shore up to once again establish ourselves as a source of skilled workers, high productivity, and economic stability. Growth technologies including pneumatics, hydraulics, electro-mechanics, lasers, fiber optics, computer aided design, computer-aided manufacturing, bio-medical engineering, and microcomputers, will need designers, installers, operators, and maintenance personnel. New management practices, such as employee participation and job redesign, which improve human productivity and the quality of work life, require higher skill levels. Vocational/technical education can deliver just this type of training.


Regional Planning
Chamber of Commerce
Federal Employment & Training Programs
VTAE Role
other public education -UW -K-12
Private Vendors (Consultants)
Organized Labor
Local and State Government
Business Community
Agriculture
Distribution
Industry
Service
Tourism

Helping To Improve Productivity And Create Jobs Through:

1. Training for initial employment
2. Training, retraining, and upgrading for workers already employed or displaced
3. Training workers for new jobs in new and expanding industries
4. Helping new business develop
5. Providing professional seminars
6. Providing technical assistance

Challenge Two
COMPETITION FROM THE SUN BELT STATES

During one recent year, Wisconsin reported an increase of 4,700[12] new jobs, whereas North Carolina reported an increase in excess of 32,000. Wisconsin, like a number of other northern states, is reminded daily of the expansion of business to the sun belt areas. Few argue about the seriousness of this challenge and its potential for limiting Wisconsin's economic growth in the 1980's.

During a recent year, Wisconsin reported an increase of 4,700 new jobs, whereas North Carolina reported an increase in excess of 32,000.

In Wisconsin, our future may well depend on what we do now. Wisconsin's loss of 1,055 of 43,200 manufacturing jobs during 1981 has been proportionally greater than the national average, with one-quarter of the decline not accounted for by the recession. Research indicates that our state's economic growth will continue to be slower than the nation's. We have a disproportionately low share of the United States' new technological industrial base, a decline in new industrial plants, and a falling off in both our durable and non-durable goods manufacturing industries[11]. Modernization of existing plants using new technology, diversifying our industrial base, and attracting and developing new business will be needed. The availability of a skilled labor force will be essential.

We have a ... low share of ... new technological ... base, a decline in new industrial plants, and a falling off in ... manufacturing industries.

Vocational/technical education delivered by local VTAE districts, in cooperation with business and industry, has the potential for training, retraining, and upgrading the work force of Wisconsin.

Thirteen states recently surveyed reported providing training services to new and expanding companies without cost to the recipients.

Thirteen states recently surveyed reported providing training services to new and expanding companies without cost to the recipients. States surveyed spent approximately one million dollars yearly in this effort. On the average, this provided training services to about 65 companies[13]. In effect, these states recognize that the availability of a trained work force is critical in any decision to locate a new business or to expand an existing business[14]. To be competitive in attracting out-of-state industry, we are being challenged to offer training services which are competitive with those of other states. This is now a declared priority of the Wisconsin Board of Vocational, Technical, and Adult Education and the Department of Development[15].

To be competitive in attracting businesses to Wisconsin, we must offer training services which are competitive to those of other states.

The two challenges outlined above reveal the answers to the questions posed earlier, "Why economic development?" and "What is the role of VTAE districts?"

A CASE FOR VTAE INVOLVEMENT

Wisconsin's system of VTAE has roots reaching back to 1911, and can readily identify its past role in the economic growth of the state. It would be is easy to reflect proudly on the past and say, "trust us to meet Wisconsin's future economic development challenges as well." However, it is no longer a simple matter of "trust"--we are being challenged to prove our case.

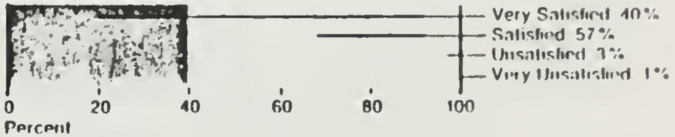
As stated before, economic development involves efforts to improve the productivity and profitability of businesses, and to create new jobs and qualified workers to fill them. This implies that the state, as a whole, must focus on developing the key elements of capital, entrepreneurship, and a skilled work force. This task can only be accomplished through a synchronized effort of all parties who have an interest in the economic well-being of Wisconsin. The VTAE system has a key role in this partnership. A closer look at this role reveals the following specific kinds of involvement.

Training for Initial Employment

In 1980-81, 14,146 graduates of over 300 different associate degree, vocational diploma, and certificate programs

1980—81 GRADUATE FOLLOW—UP REPORT

97 % Of the respondents were satisfied or very satisfied with the training they received



87 % Of Those In The Labor Force Are Employed

- Earning An Average Of $1036 Per Month In Jobs Related To Their Training
- Working An Average Of 41 Hours Per Week

90 % Employed In Wisconsin

71 % Employed In District Where They Attended School

83 % Job Is Related To Training

14 % Job Is Not Related To Training

3 % Job Relatedness Not Reported

provided the labor to meet labor skill demands of business[16]. Nearly eighty percent of these full-time program graduates were employed in Wisconsin six months after graduation.

Ninety percent of the full-time program graduates of 1981 were employed in Wisconsin six months after graduation.

Quality pre-employment training must continue in all districts with an eye to meeting the unique needs of the future. Such pre-employment training should increasingly include on-the-job training opportunities such as apprenticeships and cooperative training programs.

Training for Workers Already Employed

With jobs becoming obsolete in an average of eight years, and with the average worker changing occupations at least twice in a working life, retraining and upgrading of the work force is more important than ever. By 1990, it is projected that 66 percent of the blue collar jobs of 1950 will no longer be needed. The remaining 34 percent will involve considerably more technical skills[17].

Jobs are becoming obsolete in an average of eight years.

By 1990, 66 percent of the blue collar jobs of 1950 will no longer be needed.

Moraine Park Technical Institute in 1980-81 provided in-plant training to approximately 5,600 workers in 100 firms. The ability of VTAE districts to meet this training need is of particular importance, since 75 to 80 percent of the potential for economic expansion is present in existing business.

Training Workers for New Industries

New business start-ups are closely linked to the availability of a trained work force. There is a need to focus and market VTAE efforts in this area. Good examples of new industry training are MidState Technical Institute's work with Woodward Governor or Blackhawk Technical Institute's training program for General Motors Corporation.

Successful new business start-ups are closely linked to the availability of a trained work force.

Professional Seminars

The state's economic development effort requires the continued training of professionals. Short, intensive seminars allow professionals to meet changing work challenges. The Lakeshore Technical Institute District conducts more than 50 seminars each year as part of its "Corporate Connection" program. Interaction with business personnel indicates that there will be a growing need for these human resource development activities.

Short, intensive seminars allow professionals to meet changing work challenges.

A variety of training and supporting services has been offered. In one example, 1,400 people participated in clinics for inventors in a recent two-year period, learning about the framing of concepts, development of products, production facilities, and marketing strategies.[18]

VTAE districts have offered a variety of employee and work place assessment services. In one project, Fox Valley Technical Institute provided analysis of job tasks and work flow which became the framework for a set of operating and training manuals for the Bergstrom Enterprises' Paper Valley Hotel and Conference Center property.

In a recent study in Milwaukee, 64 percent of the firms anticipate a shortage of skilled workers and a need for revitalization within three years.

Authorities differ on just how many workers will need retraining and upgrading within the next decade, with estimates ranging from 20 to 80 million. One authoritative source, Dr. Gene Bottoms, Executive Director of the American Vocational Association, quotes 45 million. For Wisconsin this could mean that between 500,000 to 2,000,000 presently employed Wisconsin workers will need skill training in the next 10-year period. Furthermore, in a recent study in Milwaukee, 64 percent of the firms studied anticipate a shortage of skilled workers and a need for revitalization within three years[20].

The contrast between our present high unemployment rate and the growing shortage of skilled workers in Wisconsin points to a clear challenge for VTAE districts. We must become an even more active partner the economic development initiative.

CONCLUSION

In conclusion, economic development has been chosen as a major VTAE system goal. Barriers to achieving this goal must be identified and overcome. New district initiatives and cooperative efforts must be built and communicated. By coordinating our efforts and continuing to focus on the changing needs of Wisconsin, VTAE services will have a positive influence, not only on local economies, but the state's economy as well.

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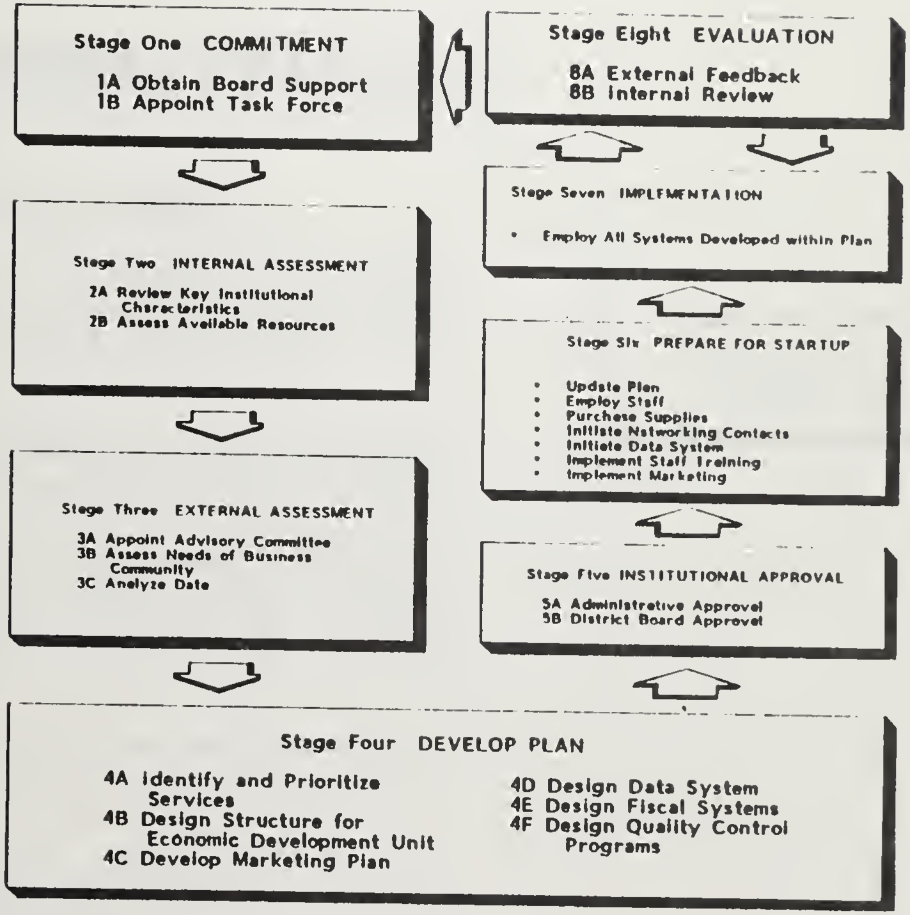
before continuing.


Stage One COMMITMENT
1A Obtain Board Support
1B Appoint Task Force
Stage Two INTERNAL ASSESSMENT
2A Review Key Institutional Characteristics
2B Assess Available Resources
Stage Three EXTERNAL ASSESSMENT
3A Appoint Advisory Committee
3B Assess Needs of Business Community
3C Analyze Data
Stage Four DEVELOP PLAN
4A Identify and Prioritize Services
4B Design Structure for Economic Development Unit
4C Develop Marketing Plan
4D Design Data System
4E Design Fiscal Systems
4F Design Quality Control Programs
Stage Five INSTITUTIONAL APPROVAL
5A Administrative Approval
5B District Board Approval
Stage Six PREPARE FOR STARTUP
Update Plan
Employ Staff
Purchase Supplies
Initiate Networking Contacts
Initiate Data System
Implement Staff Training
Implement Marketing
Stage Seven IMPLEMENTATION
Employ All Systems Developed within Plan
Stage Eight EVALUATION
8A External Feedback
8B Internal Review

Section Two

Developing a District Plan for Economic Development Services

Section Four

Developing a District Plan for Economic Development Services

Stage One COMMITMENT

Activity 1A - OBTAIN BOARD SUPPORT

Development of a plan for economic development services must commence with the district board's approval to move more fully into such services.

To help make that decision, the board should be presented with the following information:

*The urgent economic challenges facing the state, and the role the local district might play in meeting these challenges.

*Specific areas that will be addressed in the plan.

*The timelines, staff, and costs for developing an economic development plan.

*The process to be used to develop the plan.

*The businesses, associations, public and private agencies and firms which already support the development of such a plan.

Stage One COMMITMENT

1A Obtain Board Support
1B Appoint Task Force

*The manner in which the results will be reported back to the Board for their review and direction.

Presented with this information, the Board can decide whether or not to approve the development of the local plan.

Activity 1B — APPOINT TASK FORCE

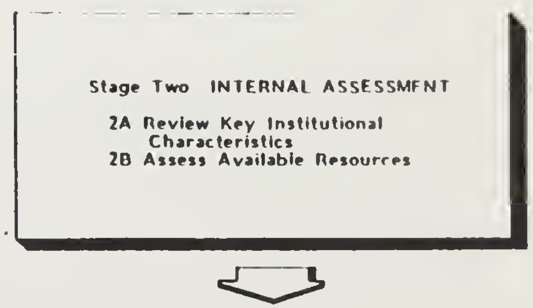
To facilitate completion of the needs assessment and planning processes, an internal task force on economic development should be established. Consider including the following representatives on this task force: bargaining unit member, district administrator, instructor, district economic development coordinator, local board member, mid-level manager, program coordinator, and persons with specific economic development expertise.

Responsibility for synthesizing the efforts of the task force into a clear and concise written plan should be vested in a single individual.

Stage Two
INTERNAL ASSESSMENT

The first step for the Economic Development Task Force is to conduct an inventory of resources which the institution presently has available to support economic development services. There are several institutional characteristics that should be in place before a comprehensive economic development program is undertaken.

Assessment of the institution's capabilities should precede the assessment of business needs. Communicating with business to determine needs implies the capacity to deliver services. Hence, the institution must be certain of its ability to provide selected services before it queries business about its needs.


Stage Two INTERNAL ASSESSMENT
2A Review Key Institutional Characteristics
2B Assess Available Resources

Checklist: The following key characteristics have an important relationship to economic development services. Assess where your institution stands.

	NO	YES
*Existing curriculum is in a flexible modular format, based on measurable job tasks.		
*Instructors are technologically current, or resources are available to retrain staff in a short time frame.		
*Instructors can be released from regular teaching duties, and/or other qualified instructors are available.		
*The institution has a means of producing such learning resources as booklets, slides, audiotapes and videotapes.		

Should there be any "no" responses, your plan for economic development should include solutions to the shortcomings. For example, if existing curriculum is not flexible and modular, a curriculum specialist can be engaged to direct production of new curriculum in a format more suitable for use by business clients.

In its efforts to assess available resources, the Economic Development Task Force will seek answers to the following questions.

*What programs and services are already in place?

*What programs or services might be expanded, modified or discontinued to free resources for economic development activities?

*What is already being done and by whom? Who is already involved in outreach to business and industry?

*What data is already available on interactions with business?

*What monetary resources, including state funding, are available to support services to business and industry?

*To what extent is existing instructional staff willing to participate in economic development activities involving non-traditional times and locations?

*Is there a person presently on staff who can direct economic development activities?

*What physical facilities can be made available for supporting economic development activities?

*What unique characteristics of the institution would facilitate economic development activities?

*What barriers would discourage economic development activities?

Based on what you have examined about your institution, do you think your institution can actually deliver services to business and industry above and beyond your existing programs and outreach activities?

Stage Three
EXTERNAL ASSESSMENT

Activity 3A — APPOINT ADVISORY COMMITTEE

Having undertaken the assessment of institutional resources, establish an advisory committee on economic development chaired by the District Director. Membership for the committee should be drawn from leaders of key businesses, other educational organizations, public and private agencies, governmental units, and other significant community organizations.

Stage Three EXTERNAL ASSESSMENT

3A Appoint Advisory Committee
3B Assess Needs of Business Community
3C Analyze Data

The advisory committee will be a standing committee to ensure continued coordination and promotion of economic development efforts. The committee will be a key resource in helping to identify the unique role of VTAE in local economic development. It will serve as a sounding board for the economic development program and structure and will provide data on the needs of business.

In establishing this committee, identify answers to the following questions.

*What key sectors of the community need to be represented and who are the individuals who can provide quality input?

*Are there key members of existing program advisory committees who should be asked to serve?

*Should the District Board be represented on the committee?

*What might be the optimum size of the committee? If your primary objective is to enlist the support of a cross-section of related organizations, membership will be large. If the committee is to deal in depth with substantative issues of economic development, committee size might be limited to a few individuals who possess both an in-depth knowledge and broad perspective on the topic.

Activity 3B — ASSESS NEEDS OF BUSINESS COMMUNITY

Collect data that already exists in local Chambers of Commerce, labor unions, regional planning offices, universities and colleges, business organizations, Job Service, and other agencies involved in planning services and economic development in your area.

In addition to collecting this data, any of several techniques can be used to provide key information on the needs of the business community. The object of this investigation is to gather the information necessary for planning.

The following approaches will be useful in gathering this information.

*Survey all existing district program advisory committees.

*Set up panel presentations by business leaders who can provide insight on their needs and perceptions.

*Hold one-on-one meetings between key staff members and business leaders.

*Meet with area economic development planning bodies such as Regional Planning Commissions, local community industrial development councils, or Chambers of Commerce, to project training needs

Activity 3C — ANALYZE DATA

The final step in the process of assessing the needs of business involves synthesizing the data gathered in order to answer these questions:

*Which priority needs seem to surface again and again?

*Which technological developments appear to be imminent which will require specialized training?

*What new types of jobs is existing business most likely to create due to changing technology?

*What clues do you get about new businesses which may enter your community?

*What expansion projects may be imminent?

*What type of training is needed to retain current jobs or entire industries?

TABLE OF SERVICE OPPORTUNITIES

IN–PLANT TRAINING

Existing Curriculum

Customized Curriculum

Comprehensive "Quick Start" for New Employees

WORK–STUDY PROGRAMS

Apprenticeship Training

Cooperative Education/Internship

Pre-graduation Employer Customized Training

CONTENT OF TRAINING

Basic Skills

Technical Skills

Affective Work Skills

Communication Skills

EMERGING TRAINING NEEDS

- Small Businesses
- Technologically Displaced Workers
- Entrepreneurship Training
- Emerging Occupations
- Retraining and Upgrading
- State-of-the-Art Seminars for Professionals

TECHNICAL ASSISTANCE

- Small Business Assistance
- Industrial Testing and Career Development
- Worksite Problem Analysis
- Task Analysis
- Placement and Outplacement Services
- Training Needs Analysis

AUDIENCES

- New, Existing, Expanding Companies

Stage Four Develop Plan

In this phase, the plan for providing economic development services is formulated. A critical part of detailing the plan is identifying the resources needed to deliver services. If adequate planning is not done at this point, a district may find itself in the implementation phase without adequate staff or resources to support the effort.

Both the external advisory committee and internal task force should be involved in plan development.

To the extent possible, all levels of district staff should be involved in this phase--if only through communication about the effort. Inviting participation and informing staff on the progress of the Economic Development Task Force is a sound beginning to the in-service training which the staff will ultimately need on the economic development initiative.

Stage Four DEVELOP PLAN

- 4A Identify and Prioritize Services
- 4B Design Structure for Economic Development Unit
- 4C Develop Marketing Plan
- 4D Design Data System
- 4E Design Fiscal Systems
- 4F Design Quality Control Programs

Activity 4A - IDENTIFY AND PRIORITIZE SERVICES

EXAMINE EXISTING INSTRUCTIONAL OFFERINGS

Identify regular program offerings which could be made available in non-traditional ways.

*What courses, programs, and modules now exist which will readily meet identified business needs?

*What upgrading and in-service programs could be offered on campus to meet the specific needs of already employed or displaced workers in the district? Which employers are most likely to have staff in need of this training?

*What modifications or additions to existing program offerings can help to meet economic development needs as you now see them?

*What courses are you presently offering at non-traditional times which will meet the needs of employed persons?

IDENTIFY NEW INSTRUCTIONAL OPPORTUNITIES

Identify the modes and types of training which could be developed for economic development activities.

*How can you best deliver "in-plant" training programs? In what areas do you have curriculum available and staff ready to do this? What criteria will you use to determine when it is feasible to deliver in-plant training? Can you deliver in a "quick start" mode?

*In what areas do you have skilled staff readily available to customize training packages to meet specific employer needs? How will you determine when it is feasible to do this?

*Have you considered "co-op" training programs with specific employers? How would this compliment regular program offerings?

*How can these efforts be coordinated with present and projected apprenticeship training?

*Are you planning to offer affective work skills training packages? In what kinds of skills: Productivity? Problem solving? Team building? Affirmative action?

*What can you offer to meet the specific needs of small business? What will be your mode of delivery? With what organizations will you work?

*What plan does the institution have for responding to emerging occupations and skill areas? What new industries are your economic development partners seeking to attract to the area? How will you be able to respond?

*How will you meet continuing needs for worker upgrading and retraining?

*What role will you play in attracting new businesses to the area or helping "spawn" new business? What services will you provide, how will the services be financed, and how will you make your initial contact? What public agencies involved in economic development will you work with and what will your role be? How will you interact with Chambers of Commerce? What strategies do you have for recruiting industry?

IDENTIFY TECHNICAL ASSISTANCE SERVICES

Identify the technical assistance areas, other than instruction, which you can offer to business.

*What forms of technical assistance can you make available for small business, and how will you deliver this?

*Do you wish to provide industrial testing and career development services or outplacement services for displaced employees?

*Might you become involved in work site problem analysis and correction? For what occupational areas?

*Could you analyze work tasks and help an employer to establish standard operating procedures?

*Will an analysis of your graduate placement services reveal that you could be more helpful to employers in this area?

*Do you wish to provide training needs analysis services to area firms?

*Can you assist employers with specific issues such as affirmative action or handicap access?

ESTABLISH SERVICE PRIORITIES

When an educational institution makes a serious commitment to providing economic development services, the business community will respond. It is essential, therefore, to set priorities on what kinds of services will be offered. This requires some cost-benefit analysis.

*Will you focus primarily on new or existing businesses? On large or small business? On particular industries, technologies, or firms?

*Are there some services you wish to promote more aggressively than others?

*What curriculum will need to be modified or developed? What financial resources are available to support this effort?

*What are the key services you will offer? What will be your service priorities?

Activity 4B - DESIGN STRUCTURE FOR ECONOMIC DEVELOPMENT UNIT

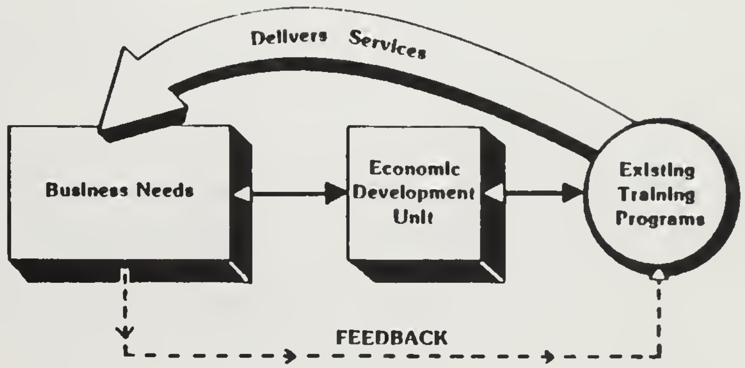
Select an organizational design which best suits your institution and the range of services you will provide.

A recent study conducted by the American Council on Education found that the primary reason for success is the existence of a person or office whose sole responsibility is economic development. Hence, designating the administrative structure and staff are critical steps in designing the economic development program.

There are several possible ways for the economic development unit to function within the organization. Let us examine three of these; the Integrated, the Independent, and the Facilitator Models.

THE INTEGRATED UNIT

In the integrated model, the economic development unit serves as a central clearinghouse for information.



The economic development unit markets district training and services to local business. When the economic development unit discerns a need in the business community, the staff passes that information to the appropriate program within that institution. The courses or services are planned and provided by staff from the existing program areas. The economic development unit provides liaison throughout the process, and is responsible for evaluating the effort.

The strengths and weaknesses of the integrated unit can be summarized as follows:

[illegible]

[illegible]

[illegible]

[illegible]

STRENGTHS

1. Linked to full-time programs.
2. Growth of regular staff through involvement.
3. Interaction between full-time program staff and the business community.

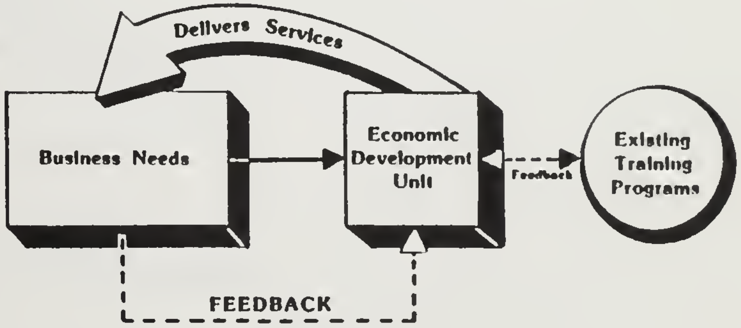
WEAKNESSES

1. Economic Development Unit has no authority over those who deliver the services.

Mid-State Technical Institute in the Wisconsin VTAE system has successfully implemented this model.

THE INDEPENDENT UNIT

In the independent model, the economic development unit actually plans and delivers the services.



The economic development unit may or may not use existing program resources. It is very likely that it will use outside vendors or hire part-time staff members who are not involved in full-time instructional programs.

This model is most likely to be found in an institution that has a relatively small number of programs, or where resources for regular programs are very limited. The model will also be found in institutions where curriculum or staff are too rigidly structured to release regular instructors for teaching in business and industry.

The strengths and weaknesses of the facilitator model can be summarized as follows:

STRENGTHS

1. There are no staff limitations.
2. Services can be delivered more quickly.

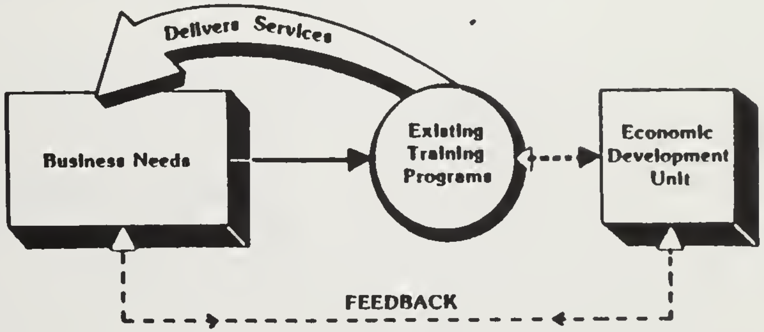
WEAKNESSES

1. There is potential for competition, rather than coöperation with existing efforts of the institution.

A very successful example of this model can be seen at Triton College in River Grove, Illinois.

THE FACILITATOR UNIT

The facilitator model builds on "business as usual" in many VTAE districts.



Training program representatives, (program coordinators, in many schools) make the direct marketing contacts with the business community and arrange for delivery of instruction.

The economic development unit may help a business plan for training needs which cut across a number of programs, or be responsible for all quick start programs for new businesses. The unit might provide supportive services to the program representatives, such as maintaining the business and industry data base. It might facilitate community linkages by working with the economic development advisory committee and serving as a communication link for all involved. The economic development unit is seen as supportive to the delivery of

services, rather than being a provider of services itself.

As the other models, the facilitator model has some strengths and weaknesses worth noting:

STRENGTHS

1. Can be implemented with relative ease.
2. Capitalizes on technical expertise of existing staff.

WEAKNESSES

1. Overlapping business contacts by subject specialists.
2. Program coordinators may favor full-time programs fail to maintain adequate business contacts.

Many aspects of this model have been successfully implemented by Northeast Wisconsin Technical Institute, as well as several other places in the VTAE system.

THE ACCOUNT EXECUTIVE APPROACH

One method of integrating economic development efforts with existing operations uses a team of account executives as chief business contacts.

An account executive is someone who has responsibility for all contacts and services rendered to a specific business (account).

The account executive performs the following functions with regard to assigned accounts:

1. Establishes and maintains liaison.
2. Markets services.
3. Determines the present and future needs for services.
4. Maintains the data file on contacts and services.
5. Assists instructional divisions with the development of services.
6. Monitors the implementation of services.
7. Conducts follow-up and evaluation of services.

The account executive approach can be employed with any of the three organizational models presented above.

REVIEW THE PRESENT ORGANIZATIONAL CHART.

*Will your present organizational design allow you to release staff and resources for economic development efforts? If not, what shifts should be made?

*Do you presently have in place staff whose responsibilities could include intensified economic development?

*Did you determine in Activity 4B that you needed to establish a new unit to coordinate economic development efforts? When does this step need to be taken?

*What will be the role of the instructional program staff (both management and faculty) in the economic development effort? How will this effort be coordinated with existing activities?

*Does your organization's structure provide the marketing strength and style needed to implement your economic development plan? What staff skills are necessary for effective marketing?

Activity 4C - DEVELOP MARKETING PLAN

Design a district marketing plan specifically for economic development efforts.

*What priority economic development services will you be marketing? Are there some services you will promote more aggressively than others?

*How much can you and will you charge for those services?

*How large an effort will the district be making in the economic development area? How much are you willing to deliver?

*Whom will you market to; specific business, the business community in general, the entire community?

*Who are key businesses or business leaders you will approach? Will you be targeting certain types of businesses?

*What are the characteristics of your specific market audience?

*What specific techniques will you use to market your services?

*How will you tell your story to your audiences in an organized fashion? What tools will you need?

*What changes does this effort call for in your current public information activities?

Activity 4E - DESIGN DATA SYSTEM

Create a centralized mechanism to gather and sort data on economic development activities including the results of all contacts with business. Moraine Park Technical Institute's Industry Data Base is a good example of a computerized system.

*What data do you need to collect on each business for your district? For each business can you identify the following: The nature of the business; number of persons employed; contact persons within the firm; who from the district has called on the business; what training needs were previously identified; how were those needs met; what graduates have been hired by that firm, and in what occupational areas; and what survey data has previously been collected on a particular business.

*Does your system provide you detailed data on both each individual business as well as by Standard Industrial Classification numbers, by department, and program coordinators?

*Does your data system tell you what requests for training are pending?

*Will your system log leads for future program development?

*Do you have the capacity to computerize this system?

*What forms and procedures must be created to obtain data from staff on a regular basis?

*How will you maximize staff participation in this system?

*What system will be used to keep information current?

Activity 4E - DESIGN FISCAL SYSTEMS

*What internal fiscal policies are in place, or need to be in place to facilitate economic development efforts?

*What will you charge for services? Is one of your objectives to make economic development self-supporting or even a source of district revenues?

*Under what circumstances will you offer cost free or limited cost services? Have you identified resources to enable you to do this?

*What resources are available to do demonstration or exemplary economic development projects?

*How will your fiscal policies support the attraction of new businesses? How will economic development revenue's be used by the District? How will the economic development unit be supported?

Activity 4F - DESIGN QUALITY CONTROL PROGRAMS

Identify quality control measures which will be part of the plan. These measures develop the capacity of the institution to respond to the business community quickly and with ever-increasing quality. These will include: 1) a program review and update process, 2) renewed use of program advisory committees, 3) ongoing staff in-service and professional growth, and 4) review of job placement services and statistics.

PROGRAM REVIEW AND UPDATE

*What instruments will you use to evaluate instruction or services delivered to business and industry?

*What percent of your present educational offerings are in a flexible, modular format? What system do you have in place which will encourage institutional growth in this area?

*What research mechanisms do you have in place to predict future directions for instructional programs that accommodate technological and labor market changes?

*Do you have a mechanism to perform program audits of existing district programs?

*Are you structured to allow for rapid response to new needs and requests from the business community?

PROFESSIONAL GROWTH PLAN

*What is your plan for ongoing staff in-service on economic development? Is your staff ready to respond to new demands from this program?

*Do you have a professional growth plan which provides opportunity for continual update in new technologies and advancements in each instructional field?

ADVISORY COMMITTEE SYSTEM

*How strong are your program advisory committees? How often are they meeting? How can they be used to provide further input into ongoing programs and economic development activities?

EXISTING POLICIES AND PROCEDURES

*What existing policies and procedures will support or hinder economic development activities?

*What registration mechanisms are in place to facilitate economic development activities and evaluation?

NETWORKING

*What organizations within the district do you need to work closely with to avoid duplication and maximize results?

*What organizations in the district and state have key information you will need to implement ongoing economic development?

*How will you coordinate your efforts with those of other VTAE districts? What information would be helpful to share?

*What information will you provide to, or need to receive from, the Wisconsin Board of VTAE? The Wisconsin Department of Development?

*Who are your economic development partners?

Stage Five
INSTITUTIONAL APPROVAL

Stage Five INSTITUTIONAL APPROVAL

5A Administrative Approval
5B District Board Approval

The Board must ultimately adopt the district economic development model recommended by the administration. The Board needs to recognize the implications of adopting such a plan and the need for total Board commitment to make the effort successful.

In addition to the specifics of your economic development plan, the following have major implications for the district and need to be discussed with the Board.

The Director's support is essential in a successful economic development effort. The Director must be able to visualize the total process and the effect that it will have on the existing operation and community relationships. He or she must be patient enough to allow the plan to mature properly and aggressive enough to keep the entire system focused on the philosophy and the goals that have been adopted. The Director will provide key leadership by working closely with chief executive officers, area Chambers of Commerce, and regional planning and development groups.

APPROVAL BY THE ADMINISTRATIVE STAFF

The entire administrative staff must be in agreement with the economic development plan. It will be their responsibility to guide the direction and the extent of the effort. They must also develop an economic development philosophy statement for the district, and sell it to the management and instructional staff.

Activity 5B - DISTRICT BOARD APPROVAL

In reviewing the plan, the Board needs to:

*Develop a concept of their own as to what the District's commitment will be to economic development.

*Concur with the district philosophy statement which gives overall direction to economic development activities.

*Be sufficiently knowledgeable about the requirements of these efforts to allow for the budget and staff changes which, at times, may need to occur on short notice.

*Make a commitment to the upgrading of staff necessary to sustain economic development activities.

*Commit budget funds to economic development.

Stage Six
PREPARE FOR STARTUP

In this phase, the internal systems and procedures will be established. This phase involves management personnel and the in-house economic development committee.

Stage Six PREPARE FOR STARTUP

- Update Plan
- Employ Staff
- Purchase Supplies
- Initiate Networking Contacts
- Initiate Data System
- Implement Staff Training
- Implement Marketing

IMPLEMENATION ACTIVITIES

*Revise economic development plan if necessary, based on administrative and Board review of proposed plan.

*Identify and/or hire the staff who will be involved in implementing the economic development plan. Write job descriptions. Publicize personnel additions/-changes.

*Establish your business and industry data base and complementary internal communication network. Identify specific persons responsible for contacts with specific district businesses.

*Purchase supplies and materials needed to support the economic development unit.

*Develop an extensive in-service program for personnel directly involved in economic development. Include the district philosophy and approach to economic development; the local district economic development model; information on existing programs, resources, and services to be marketed;and training in marketing and sales techniques.

*Begin an in-service program for your total staff on the economic development thrust.

*Formalize policies and procedures for economic development activities. Establish a means of updating these policies. Distribute to all appropriate personnel.

*Implement your marketing plan.

*Begin to work with your network of economic development partners.

Stage Seven
IMPLEMENATION

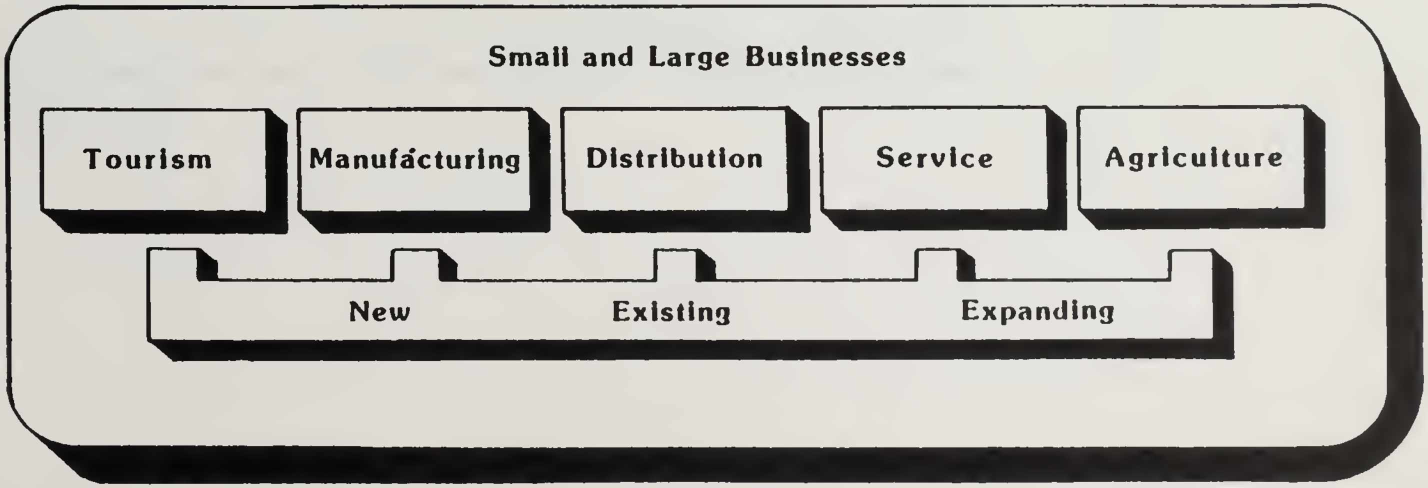
At this stage your local VTAE district representatives begin to make individual calls on businesses.

The purpose of the calls is to present to the business community the expanded services that are available through the local VTAE district. The marketing plan established earlier, with its priorities, organizational staff alignment, and internal procedures is actualized. The economic development plan, approved by the Board, is implemented.

Stage Seven IMPLEMENTATION

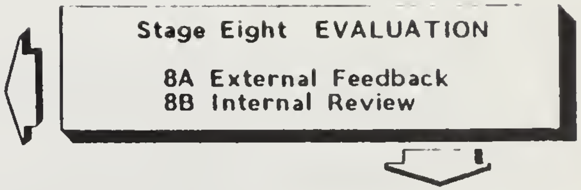
- Employ All Systems Developed within Plan

THE BUSINESS COMMUNITY SERVED BY THE VTAE SYSTEM



Stage Eight EVALUATION

Evaluation should be an overriding concern of everyone involved in economic development. The first phase of evaluation should be focused on the delivery of services to assure that the needs of the business are being met with quality and punctuality. The second phase of evaluation should be a periodic review of the entire district effort and the plan of operations being followed.



If the results of the evaluation are positive, continue providing services as outlined in your plan.

However, if feedback and evaluation indicates results less than satisfactory, the economic development unit must examine the situation closely, starting with assessing institutional resources and business needs and reexamining the plan for services. Both the preparation and implementation stages must be examined.

Activity 8A — EXTERNAL FEEDBACK

Designing ongoing external feedback mechanisms.

*How will you continually get feedback from the business community?

*Will you focus on data from employers served by the program directly?

*Is it important to get broad data from the larger district business community? If so, what mechanisms will you use?

*How will the Economic Development Program Advisory Committee participate in this feedback process? What will be their ongoing role?

*What mechanisms are now in place to assess the total district reaction to all services offered by the school? Are these adequate in light of the economic development emphasis?

Activity 8B — INTERNAL REVIEW

Carefully evaluate internal supervision and review mechanisms to assess their adequacy to meet the needs of the Economic Development Program.

*What internal mechanisms for program supervision and review of program quality are presently in place?

*Will the present system provide adequate supervision of off-campus instruction and services? If not, what mechanisms will you implement?

*How will you obtain feedback from the instructional staff directly involved in economic development services?

*How will you evaluate the impact and cost-benefit relationships of various offerings?

*How will you insure overall excellence in the Economic Development Program?

*How will you evaluate and share the implications of economic development activities for regular program offerings?

APPENDIX A

ADHOC ADVISORY COMMITTEE ON ECONOMIC DEVELOPMENT

CHAIRPERSON

Dr. Stanley Spanbauer, District Director
Fox Valley Technical Institute
Appleton, WI 54911

COMMITTEE MEMBERS

Mr. Richard Agness
Lawrence University
Appleton, WI

Dr. Merle Bodine, Director
Bureau of Community and Economic Development
WBVTAE
Madison, WI

Ms. Elaine Boyce, Economic Development
Coordinator
Mid-State Technical Institute
Wisconsin Rapids, WI

Mr. Ronald Braun, Manager, Industrial
Relations
Giddings & Lewis
Kaukauna, WI

Ms. Carolyn Garber, Executive Assistant
Office of Economic Development
Madison, WI

APPENDIX A

Senator Gary Goyke, Chairman
Senate Education Committee
Oshkosh, WI

Mr. Joe Halter, Director
Winne-Fond Consortium
Oshkosh, WI

Mr. Lonny Hansen
VTAE State Board Member
Business Manager,
Plumbers & Steamfitters, Local 206
Omro, WI

Mr. Curtis Charter, District Director
Small Business Administration
Madison, WI

Dr. Dwight Davis, Director
North Central Technical Institute
Wausau, WI 54401

Mr. Raymond Doggett, J.C.
Manager, Education and Training
for North American Sales Division
Allis Chalmers Corporation
Milwaukee, WI

Mr. Richard Haviland
FVTI Board Member
Chairman, Curriculum Committee
Menasha, WI

Mr. James Lauer, Director
Outagamie County CETA
Appleton, WI

APPENDIX A

Assemblyman David Prosser
Appleton, WI

Dr. John Schmidt
Assistant Vice Chancellor
Division of Continuing Education
UW-Oshkosh
Oshkosh, WI

Mr. Larry Smits, Director
Wisconsin Job Service
Menasha, WI

Ms. Shirley Spale, Administrative Assistant
Fox Cities Chamber of Commerce
Appleton, WI

Ms. Kathleen Strawhacker, Executive Director
Oshkosh Commercial Development
Oshkosh, WI

Mr. Patrick Vercauteren, Executive Director
CHAMCO
Oshkosh, WI

Mr. James Voss, Employer Relations Manager
Lakeview Mill
Kimberly-Clark Corporation
Neenah, WI

Mr. Roy Willy, Executive Director
East Central Regional Planning Commission
Menasha, WI

APPENDIX B

Dr. Robert Sorensen
State Director
Wisconsin State Board
Madison, Wisconsin

Mr. Joseph Sturdivant
Director of Industry
Services Division
State Department of
  Community Colleges
Raleigh, North Carolina

APPENDIX C

GUIDE DEVELOPMENT COMMITTEE

Dr. Kenneth Huddleston - Cochairperson, Business Coordinator

Mr. Robert Martin - Cochairperson, Administrator, Operations and Instructional Design Services

Ms. Barbara Keller - Planning and Projects Manager Specialist

Ms. Carolyn Mewhorter - Wo/Men's Educational Bureau Manager

Mr. Stephen Nagy - Manager, Operating Systems

Mr. Dennis Nitschke - Executive Secretary, East-Central Wisconsin Consortium

APPENDIX C

Dr. Kathleen Paris - Administrator, Research and Marketing Services

Mr. Gaylord Unbehaun - Supervisor, Agriculture/Home and Consumer Sciences Division

APPENDIX D

FVTI GUIDE REVIEW COMMITTEE

Mr. Ivan Gruetzmacher - Cochairperson, Agriculture/Home and Consumer Sciences Coordinator

Mr. Richard Schmidt - Cochairperson, Trades and Industry Coordinator

Ms. Bonnie DeMaster - Chilton Regional Center Manager

Dr. Leigh Gisvold - General Education Coordinator

Mr. Robert Keehan - Systems Analyst

Mr. Roger Kolberg - Lead Instructor, Pilot Business Training Program

Mr. Leo Patt - Winnebago County Account Executive

Ms. Gloria Pursell - Business Education Coordinator

Ms. Jean Rusch - Home and Consumer Sciences/Agriculture Coordinator

Mr. Duane Stevens - Health and Human Services Coordinator

APPENDIX E

ECONOMIC DEVELOPMENT/PRODUCTIVITY GUIDE ASSUMPTIONS

I. Stronger efforts are needed at both the state level and local VTAE district level to assist business development in Wisconsin.

  A. State government leadership is needed to:

    1. Create an ideal business climate

    2. Attract new businesses to Wisconsin

    3. Coordinate statewide economic development efforts

  B. VTAE district leadership is needed to help business prosper. Services include:

    1. Assistance to existing businesses to expand or modify operation

    2. Assistance to existing businesses to become established and operational

II. VTAE staff must be involved in ongoing in-service programs so as to be kept abreast of current and future business needs.

III. The staffing pattern of the local VTAE district must be flexible enough to meet a wide variety of training needs in the business community.

IV. A variety of training services must be made available to business including, but not limited to, occupational skill development, management training, basic education, and human relations training.

V. The local VTAE economic development plan should:

   A. Identify the multi-target markets

   B. Clearly define the services provided

   C. Provide guidelines for determining priorities

- D. Clearly define roles of staff
- E. Identify the method and sources of financing
- F. Be linked with existing occupational training offerings
- G. Provide for coordination with all relevant local and state agencies
- H. Include written organizational strategies and operational procedures

VI. As a major human resource development agent within the state, the VTAE system needs to anticipate all employability needs as they develop and respond appropriately.

VII. Training services provided by local VTAE districts should be inherently attractive to local business. The services should:

- A. Be based on employers' specifications and mutual needs analysis

B. Anticipate new technology

C. Provide customized service to meet business needs

D. Be in a flexible delivery format

E. Be competency-based utilizing the WisCom system

F. Be monitored and evaluated by the VTAE district and the businesses being served

G. Include appropriate new instruction as needed

H. Be delivered in a timely manner

I. Involve a minimum of red tape for the business

VIII. The success of economic development activities at the state and local level depends on direct and frequent communication with business and other participating agencies.

IX. A local VTAE district must be able to take risks in providing services to business when the need arises.

X. There are a number of potential barriers which must be addressed in designing an economic development model:

   A. Involvement in organizational policy issues of business clients

   B. Reluctance of business to invest time and money establishing and maintaining working relationships with the VTAE districts

   C. Political resistance to provide funding for economic development efforts

   D. Lack of definitions of the VTAE role in economic development both internally and externally

   E. Potential reluctance of industry to share pertinent information

   F. Demand for services that may exceed VTAE resources

   G. Potential conflict with the interest of private vendors of training services to business

APPENDIX F

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APPENDIX G

RESOURCE LIST

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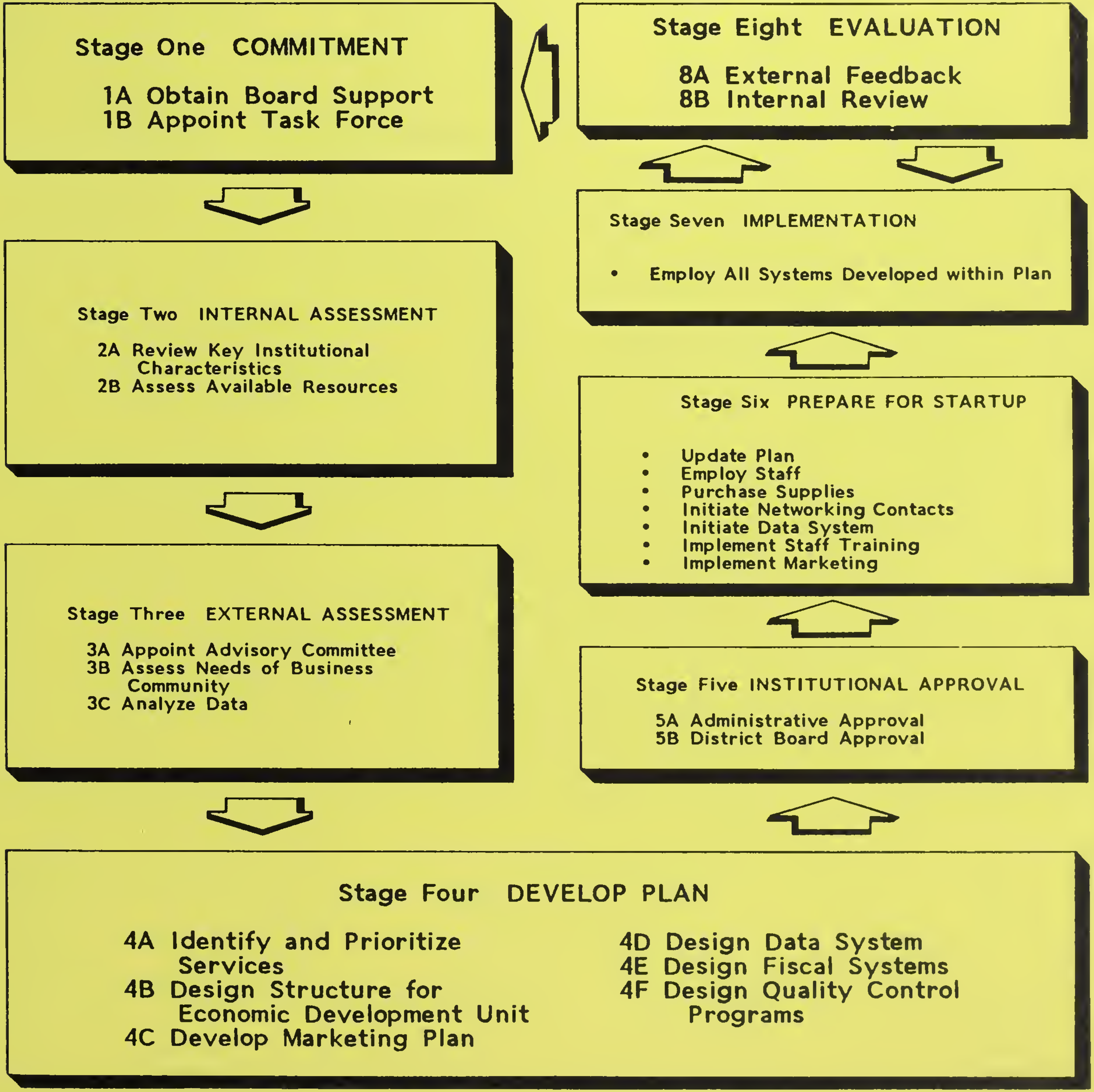
Developing a District Plan for Economic Development Services



Stage One COMMITMENT

1A Obtain Board Support
1B Appoint Task Force

Stage Two INTERNAL ASSESSMENT

2A Review Key Institutional Characteristics
2B Assess Available Resources

Stage Three EXTERNAL ASSESSMENT

3A Appoint Advisory Committee
3B Assess Needs of Business Community
3C Analyze Data

Stage Four DEVELOP PLAN

4A Identify and Prioritize Services
4B Design Structure for Economic Development Unit
4C Develop Marketing Plan
4D Design Data System
4E Design Fiscal Systems
4F Design Quality Control Programs

Stage Five INSTITUTIONAL APPROVAL

5A Administrative Approval
5B District Board Approval

Stage Six PREPARE FOR STARTUP

- Update Plan
- Employ Staff
- Purchase Supplies
- Initiate Networking Contacts
- Initiate Data System
- Implement Staff Training
- Implement Marketing

Stage Seven IMPLEMENTATION

- Employ All Systems Developed within Plan

Stage Eight EVALUATION

8A External Feedback
8B Internal Review

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   This is done through task analyses of jobs or through externally obtained task listings which are validated in local businesses.
2) **It informs students of the precise learning activities required to achieve these competencies.**
   This information is given to the student prior to the instruction.
3) **Students are pre-assessed to determine the point at which they are able to start the learning process.**
   A student is NOT required to "re-learn" or "re-do."
4) **Students are evaluated on a demonstration of skills.**
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Did You Know?

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AFFIRMATIVE ACTION STATEMENT

The Stephenson Area Career Center and its member schools affirms and adheres to a policy of equal opportunity in all aspects of education and employment. It is the policy of the Stephenson Area Career Center to guarantee equal opportunity to students and extend employment to qualified individuals without regard to race, creed, sex, color, handicap, national origin, or age. Inquiries regarding this policy should be directed to Joel Scheider, EEO/AA Coordinator, Stephenson Area Career Center, Pearl City Road, Freeport, IL 61032.

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SACC offers 12 program areas providing training opportunities in 16 career occupations. You can get career training through programs in Agricultural Mechanics, Auto Mechanics, Auto Body Repair, Building Trades, Child Care, Cosmetology, Drafting, Electrical Occupations, Health Care Occupations, Machine Trades Technology, Office Occupations and Welding & Fabrication.

Each of these programs is taught in the unique individualized *Comptency-Based Instructional* (CBI) curriculum format that has helped to make SACC a "model school" throughout Illinois and the nation. Local business and industry representatives helped generate a **Job Task List** for each career area. From these lists individual learning packages, or **Learning Guides**, were developed for each task listed. In this way curriculum has been put in place to meet your individual training needs and provide the specific skills necessary to succeed in your chosen career field.

Currently SACC trains students from several area high schools, college students through a cooperative agreement with Highland Community College and **adults** who enroll individually or through local industry or community-based agencies.

Several industries have worked with SACC staff to build curriculum that is tailor-made to their own unique company needs. Kelly Springfield Tire Co. (apprentice training), Newell Companies, Kemco, and Micro Switch have all worked to help SACC staff in creating task lists that are appropriate to train people in their companies.

Special Services available for you at SACC:

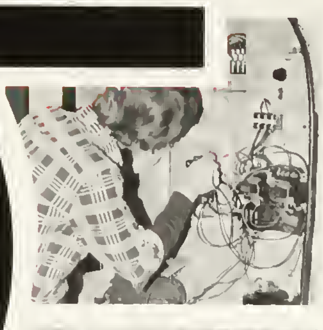
- Vocational Assessment
- Vocational Counseling
- Job Placement Service
- Pre-employment Skills
- Special Needs Coordination
- Learning Resource Center
- Career Related Training

Instructors at SACC have worked as skill trades people, shop owners and professionals. Together they offer a wide range of business and educational experience — further assisted by the regular participation of local industry personnel on SACC advisory committees.

In the ***Comptency-Based-Individualized*** (CBI) system used at SACC the focus is on you as an individual. The system is designed to meet your vocational needs through self-paced learning that fits your personal learning style. In this system our instructors manage their instructional area, concentrating on skill training for the individual. You receive one-on-one instruction and progress at the pace best suited to you and your training needs.

This system allows high school, college and adult students to train with the same instructor, in the same class area at the same time. It maximizes the use of equipment and space without restricting an individual's ability to progress at the rate and level appropriate for them.

The CBI format at SACC not only places emphasis on the development of your individual vocational skills but also offers other learning opportunities. You might be placed in the position of shop foreman or group leader, responsible for assisting other trainees in developing some basic skills. Local industry has also provided SACC with the opportunities to work for them. Students have gained valuable experience drawing, fabricating or machining parts and equipment actually used by local industry. Field experience is common as students work and or observe in professional work environments to gain knowledge about the demands of various career options.



Learning Resource Center

The Learning Resource Center (L.R.C.) provides print, audio and visual material that is used by students to master tasks. These various resources make up a key ingredient in the competency based individualized program. These materials are designed to provide information in several ways allowing you to learn within the learning style best for you. Also the L.R.C. has a collection of various vocational materials and informational resources to support the curriculum and provide instructors and students with further information for self-improvement and research.

An important part of vocational education includes participation in student organizations. High school students enrolled at SACC can participate in local vocational organizations that have state and national affiliations. These organizations offer students the opportunity to develop leadership abilities through a variety of social and civic activities, including competition, at local, state and national levels.

Organizations represented at SACC include:
VICA — Vocational Industrial Clubs of America
OEA — Office Education Association
HOSA — Health Occupations Students of America
HERO — Home Economics Related Organization

This is your multi-use brochure, designed to be posted on display.

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SACC is an educational cooperative jointly owned by Freeport District #145, Pearl City District #200, Dakota District #201, Lena-Winslow District #202, Orangeville District #203 and Shannon District #303. In addition to offering a *Competency Based Instructional* program for high school students, SACC offers training to post-secondary students through a cooperative agreement with Highland Community College and other governmental agencies. SACC also works with industry throughout Northwestern Illinois in developing programs tailored to specific company needs.

As a "model school," SACC is leading the way in developing educational delivery systems, featuring *Competency Based Instruction* to meet the vocational training needs of this area.

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A PLAN FOR ECONOMIC DEVELOPMENT IN THE STATE OF ILLINOIS -- AN EDUCATOR'S PERSPECTIVE

E. Edward Harris, Director
February 2, 1983

The need for the development of a long range plan for economic development has never been greater for the state of Illinois. John Naisbitt, a former White House staff member and author of Megatrends, in discussing the restructuring of America and the switch from an industrial to an information society said:

> In an industrial society, when your company looks for a place to locate, you have to look for the infrastructure-water, transportation and so forth. But with the new kind of companies we're building today, you don't need the infrastructure: You put your facility anyplace. You look instead for the ambiance, for the quality of life. That's why Michigan and Minnesota are going to have a tough time competing with the Southwest and Florida. The trend is north to south, and I think it's irreversible in our lifetime. What's happening is that about 90 percent of the growth in this country is occurring in the Southwest and Florida. I'm talking here about the southwest quadrant: If you move along the top of California, Nevada, Utah, Colorado and then come down and go out a little bit and pick up Texas--that quadrant plus Florida is where all the momentum is. If you take Texas, Florida and California, that's about 60 percent of the growth--those three megastates. From a marketing point of view, you could take those three states and let someone else take the 47 other states, and you'd beat them because of size and the tremendous momentum.

This need is also highlighted by research conducted at Brookings Institute, Harvard, Massachusetts Institute of Technology, Northeast-Midwest Institute, and The Urban Institute. The implications of research conducted at both the Massachusetts Institute of Technology and Brookings Institute on job creation need to be carefully analyzed by policy-makers. The Massachusetts Institute of Technology Research shows that 50 percent of the jobs in a given area change every five years and that 80 percent of the replacement jobs are created by firms with 100 or fewer employees, and that 89 percent of the newly created jobs are in the service sector. However, the research conducted at the Brookings Institute shows that a significant portion of the growing, small establishments are branches of

Northern Illinois University
College of Business
Office of Business Research

subsidiaries of large firms. "In fact, nearly half of the establishments with 20 to 99 employees are owned or controlled by larger firms." This means that, in general, the net employment growth contributions of both small and large businesses appear nearly proportional to their respective shares of the labor force.

Brookings Institute offers the following recommendations in planning for economic development.

> Although the increase in employment attainable through the location of a large branch of a major firm is attractive, such occurrences are relatively rare and unlikely to provide the jobs needed for economic revitalization or survival. Furthermore, larger firms have the financial and managerial resources to shift their focus to expanding industries and regions while curtailing operations in declining areas. Thus, an obvious note of caution is due against over-reliance on large multi-location firms as a foundation for long-term economic development.

CHANGING JOB BASE AND JOBS

Dr. David Birch, Massachusetts Institute of Technology, believes that the "Thoughtware Revolution" of the late 1900s may well be as significant to the quality of life in the United States as the Industrial Revolution was in the early 1800s. His research shows that every place in the country has to replace about 50 percent of its job base every five years.

It is also important to note that research reported by The Urban Institute shows that less than one percent of the annual employment change is due to relocation of commerce and industry. Therefore, the 50 percent job change in a given community or region must by necessity be responded to by economic development personnel and agencies located in that geographic area. The following statements by Dr. Birch further support the proposed comprehensive model for economic development. Dr. Birch, in discussing the strategies for reversing economic problems in the Midwest, states:

> I'd think a lot about the needs of smaller knowledge-based business here. I'd particularly worry about higher education and providing a very well-trained labor force. In a knowledge-base, brains will be our chief resource without question, and everything you can do to promote that would be by far the most important.

In discussing the jobs of the future, Professor Wickham Skinner of the Harvard Business School states that the number of robots will grow from a few thousand today to an estimated 100,000 by 1990, and the number of electronic work stations from four million to 30 million. As a result,

says Skinner, "in a five- to 15-year period profound and dramatic changes will occur in factories and many service operations."

It isn't just the speed and efficiency of computers that will revolutionize work, it's the way "the computer fundamentally changes the relationship between a worker and his task," says another Harvard Business School professor, Shoshanah Zuboff, who specializes in the effects of technology on work. "Work becomes abstract, the electronic manipulation of symbols."

The U. S. Bureau of Labor Statistics projects that overall, jobs will be plentiful. An occupational outlook just published by the Bureau of Labor Statistics predicts that the labor force will grow from 105 million in 1980 to somewhere between 122 million and 128 million in 1990, depending on the health of the economy. Within this growing work force, the shifts will be enormous. Neal Rosenthal, director of the BLS occupational outlook division, finds there already is "unbelievable movement" from job to job.

While they find it difficult to get too specific, most government and private-industry experts do agree that the biggest future job growth will come in two general areas: information, and what is commonly termed "conservation." Information will include computers, robotics, biotechnology and transmission technologies such as laser and fiber optics. Conservation will include both the human and ecological kinds, from health care to already established conservation efforts such as solar energy, more efficient use of raw materials and waste disposal. The Labor Department's list of the fastest-growing job titles is illustrative of those trends. Of the top 12 occupations, five are in information or information-related fields:computer-service technicians, systems analysts, business-machine repairmen and computer programmers and operators. With Americans living longer and increasingly concerned with good health, experts anticipate tremendous growth in such fields as occupational and physical therapy and speech pathology, as well as medical and dental programs administered by nurses and technicians rather than doctors.

There also will be rapid growth in occupations that barely exist today. Genetic-engineering technicians and bionic-medicine specialists are expected to account for 450,000 jobs by 1990, while the number of laser-process and robot-production technicians may reach more than 1 million. But college students preparing for more "conventional" careers still have reason to hope. Several professions will continue to be a source for jobs in the 1980s: petroleum engineering, medicine, law, banking. Honorable professions all--but suddenly sounding a bit old-fashioned when compared with many of the new skills that will be needed to manage and service an extraordinary new technological age.

CRUCIAL ROLE OF EDUCATION AND TRAINING

Education, training, and retraining is the key to any plan for economic development. We have focused our attention in the past on young and disadvantaged workers, but now it is absolutely necessary to focus our attention on the whole work force," says Pat Choate, a senior policy analyst for TRW Inc., in Washington. The U.S. is already spending about $40 billion a year on job training--$30 billion by corporations, $5 billion by states and localities, and $4 billion by the federal government.

The following statements from a research study conducted by the Northeast-Midwest Institute further support this belief.

> American workers face an uncertain economic future. Technology and foreign trade are making millions of existing jobs obsolete. The academic and functional skills of most workers are too antiquated for the new replacement jobs that already are emerging. Neither business nor government is adequately prepared to help workers with retraining or adjustment assistance. In sum, America needs, but lacks, a national training strategy.
>
> The absence of such a strategy is a major barrier to America's economic renewal. Thus we are overlooking critical means to generate economic growth and strengthen the competitiveness of the U.S. economy--namely, improving the quality of the performance of the American work force. Yet, investment in workers is as essential to national economic renewal as investment in improved land, equipment, and technology. After all, more complex machines and more sophisticated technologies require better trained workers.

The 1982 Northeast-Midwest Institute Report entitled, The Retooling of the American Work Force, identified the following critical issues relative to economic development and training.

* Public- and private-sector programs have little interaction, causing missed opportunities and creating unnecessary costs.

* Although there are 22 separate programs to assist the nation's displaced workers, they operate independent of each other and help only a miniscule portion of those workers who are displaced.

* There is no clear allocation of responsibilities for employment and training policies between and within the individual levels of government.

* The public training programs that do exist serve less than 8 percent of the population.

* The lack of programs to either identify or fill critical technological skills shortages.

* Public incentives overwhelmingly favor capital and technology investments over worker training as a route to productivity growth.

* Throughout the 1980s, two of every three new workers will be women, yet virtually no sector of our society--business, government, religious, academic, or public interest--is integrating women into the work force effectively.

* Large numbers of workers who possess critical technological skills are retiring, and replacements are not being trained.

* The most productive age group--the 25- to 44-year-old workers--will comprise over 54 percent of the American work force by 1990; these workers can make an impressive contribution to economic renewal, but only if their skills can be upgraded or they can be retrained.

The conclusion of the report of the Northeast-Midwest Institute clearly identifies the problem.

> Economic renewal must be the fundamental goal of American domestic policy (at all levels) for the balance of this century. In the debate over how to generate economic growth and strengthen the competitiveness of U.S. industry, one critical means of restoring productivity growth often is overlooked: Improving the quality of the performance of the American work force.
>
> Even if the nation relies primarily on increased capital investment and technological innovation for achieving productivity gains, advanced technologies and complex machines require highly skilled workers. Indeed, investment in American workers is as crucial to economic renewal as investment in improved plant, equipment, and technology.
>
> At this critical juncture in America's economic life, it is both necessary and possible to use America's human capital as a major resource for economic renewal. However, if this is to happen, substantive reform of the nation's employment and training policies, institutions, and programs is required. Such reform involves more than tinkering with existing policies, but less than wholesale change. It calls for a comprehensive, unified approach to employment and training policy that effectively and coherently coordinates efforts by all levels of government, the private sector, and workers.

RECOMMENDATIONS

Any plan for economic development in the state of Illinois to be successful, must include provisions to design and test a number of short- and long-term strategies for effectively responding to the 50 percent change in the job base that is going to take place every five years. These recommendations are based on the following eight premises:

* There are regional economic development needs and differences in the state that can in most cases be addressed most effectively on a local or regional basis,

* Declining productivity and inability of business and industry to expand and implement new technology is a most crucial problem,

* The increase in business failures must be stopped.

* Economic development personnel, if given the proper education and tools, can serve as an effective "marketing team",

* The replacement of 50 percent of the jobs in a given area in a five-year period of time will not take place without effective private and public sector cooperative arrangements on a local and regional basis,

* Decision-makers in commerce and industry must have accurate economic and labor market data,

* Education, at all levels, has a key role to play in the total economic development scenario in the state of Illinois and needs to make a commitment to economic development,

* Universities must make a commitment to utilize a portion of their research and development capabilities in addressing economic development issues and concerns.

The following six recommendations should be implemented at the earliest date:

1. The economic development model that has been functioning at Northern Illinois University this past year, entitled The Northern Illinois Regional Economic Development and Human Resources Consortium--A Marketing Strategy Approach, should continue to receive the support of The Commission of Economic Development and other private and public sector agencies. This regional model which is designed to bring about the cooperation of education, human resource, and economic development agencies at all levels is already beginning to yield significant results. See Exhibit B for the proposed process model organizational chart. The possible long term implications for this research and development activity are significant. Three additional regional models which bring about collaborative efforts of commerce, industry, education, and labor should be formed and supported at University of Illinois, University of Illinois-Chicago Circle, and Southern Illinois University. These institutions were selected because of their research capabilities and location.

This regional economic development model is built upon the belief that economic development begins with a knowledgeable and competent local economic development commission and staff. The retention and expansion plan of the economic development commission has been carefully designed. The staff is fully aware of the marketing plans and programs that each of the educational and human resource agencies have available. Community colleges should serve as the brokers of training in their geographic area, universities provide research and technical assistance support, and elementary and secondary schools provide career education, economic education and preparation for entry level jobs. The major objectives of these regional economic development centers should be:

* To promote avenues of partnership between and among education, business, industry, labor, government and community based agencies so as to foster and strengthen regional economic and human resources to improve the business and economic conditions in the area,

* To utilize a wide array of research strategies in facilitating commerce and industry in retention and expansion efforts,

* To provide commerce and industry decision-makers with both economic forecasting and labor market data on a regular basis to assist them in strategic planning,

* To coordinate the design and implementation of educational programs that match the human resource needs of business and that maximize the scarce resources of business, labor, education and government,

* To design and employ innovative strategies of serving the human resource and technical service needs of commerce and industry, particularly in those industries and occupational areas where there are labor market shortages,

- To design and deliver alternative methods of human resource development including the providing of short term customized training for commerce and industry,

- To explore, create and promote cooperative planning efforts which will facilitate the development and implementation of effective economic and human resource development strategies at all levels--local, regional and state,

- To design and implement an administratively effective structure that will allow for a managable coordination of a large number of agencies involved in providing economic development and human resource development programs.

Listed below are examples of activities which should be performed by these regional economic development centers:

A. Train local economic development commission chairpersons, staff, and their committee members. The training program would include topics such as the following:

- Marketing
- Prospects and Prospecting
- Financing
- Site Location
- Transportation
- Utilities
- Promotion
- Utilization of Labor Market and Economic Data
- Community Planning

B. Utilize marketing research strategies to assist communities to determine their competitive advantages. Special emphasis needs to be placed on how to market the strengths of a given region of the state because one of the greatest needs of both economic development personnel and individuals from business and industry is how to use effective strategies in marketing their communities, products, and services.

C. Conduct a series of marketing oriented seminars on how to utilize effective strategies in selling local communities and their products and services. The focus group marketing research technique will be used during the seminars to develop strategies on topics such as:

- How to Capitalize on Increases in Defense Spending?
- How to Increase International Trade?
- How to Increase Sales of Agricultural Products?

- What Can Be Done to Help Make Industry as Profitable in the Northern Illinois Area As It Is In The Sun Belt States? (A Management and Labor Dialogue)
- What is the Role of Agri-Business in Illinois Economic Development? (A Dialogue for Cooperative Arrangements)

D. Train educational institutions in the marketing of their training programs to commerce and industry.

E. Determine the role and function of the University in economic development; special emphasis to be placed on how to best utilize the computerized FRATS (The Faculty Research Assistance to States program)

F. Utilize a wide array of research strategies in facilitating commerce and industry in retention and expansion efforts.

G. Provide commerce and industry decision-makers with regional economic forecasting data on a regular basis to assist them in strategic planning.

H. Explore, create and promote cooperative planning efforts which will facilitate the development and implementation of effective economic and human resource development strategies at all levels--local, regional and state.

I. Design and employ innovative strategies of serving the human resource and technical service needs of business, industry and agriculture particularly in those industries and occupational areas where there are labor market shortages.

2. A small business development center should be established at the earliest possible date and funds to match the U.S. Small Business Administration contribution should be provided through a special appropriation. This small business development center should be established as a state-wide consortium made up of the same universities as are involved in the four regional economic development centers, proposed in recommendation number one. The small business development center consortium would also issue sub-contracts to other educational institutions and agencies in the state. Currently there are 19 states who are participating with the U.S. Small Business Administration in the establishment of a network of centers to provide management assistance through universities to small business owners. Specifically, the small business development centers are designed to:

* Serve as one of several area contact points for small business owners and managers seeking assistance;

* Provide and coordinate a range of instructional and consultation services for area businesses, including pre-business consulting and courses, management development seminars and workshops, self-instructional packages, group and individual problem solving sessions, as well as on-site consulting;

* Serve as an educational clearing house that will identify, collect, and maintain a variety of print resources useful to the small business owner or manager, including self-help materials, SBA pamphlets, government publications, etc.;

* Develop and maintain a comprehensive list and description of resources available within the area to assist small business persons;

* Maintain adequate physical facilities to support individual counseling, group meetings, conferences, and workshops.

The SBDC is not designed to duplicate existing programs and services offered by such agencies as the Service Corps of Retired Executives (SCORE) or the Small Business Administration. Rather, the SBDC was designed to further develop and supplement the existing network of business assistance programs.

3. The Department of Commerce and Community Affairs should intensify their efforts to provide decision-makers in commerce and industry with comprehensive and accurate regional and state economic and labor market data. The Labor Market Service project should be expanded to include provisions for the training of local and regional economic development personnel and individuals responsible for economic development in educational institutions on the effective utilization of labor market information in economic development.

Similarly, the Faculty Research Assistance to the State (FRATS) project should be fully implemented at the earliest possible date so that decision-makers in commerce and industry will have ready access to the research capabilities of faculties in the State of Illinois.

4. The Illinois Board of Higher Education and the Illinois State Board of Education should provide the financial incentives necessary for education at all levels to make their appropriate contribution to economic development. Quality educational programs and activities such as career education, economic education, vocational education, customized

training, research and technical assistance, need to be encouraged and a commitment secured because economic development does begin at home. Exemplary efforts should be both recognized and rewarded.

5. The Department of Commerce and Community Affairs and The Illinois Board of Higher Education should jointly support programs for the education and training of economic development personnel. A pilot graduate level program in economic development should be offered on an alternating Friday and Saturday basis similar to the structure of an executive M.B.A. program. Courses in the program would include:

* Land Use Planning
* Location Analysis
* Geographic Information Systems
* Seminar in Economic Development
* Graduate Survey of Marketing
* Financing the Business Enterprise
* Principles of Business Organization
* Public Relations for Economic Development Personnel
* Additional Courses in Governmental Studies, Geography and Business

This concentrated program would enable Illinois economic development personnel to achieve in approximately one year what it now takes four years or more to learn in Oklahoma.

Similarly, they should support research and development activities designed to provide economic development personnel with the tools they need to perform their assignments, such as:

* A model for forecasting business success and failure, based on weighted financial ratios to improve expansion and retention efforts,

* A micro-computer software package that would compute the cost of doing business in a given community and aid local economic developers in working with prospective businesses,

* Market segmentation research data to assist in determining the most important location characteristics desired by commerce and industry in the two fields with the greatest potential for growth in the next two decades: information, and conservation,

* A computerized system for determining the needs of older workers and a competency-based, cost-effective model for pre-retirement training.

6. A task force made up of representatives from commerce, industry, labor, education and government should be established to achieve the following objectives:

a. Develop joint programs between education and commerce and industry to provide a sharing of laboratory facilities and cooperation in evaluation of new instrumentation and techniques developed by commerce and industry.

b. Encourage education and commerce and industry to work to establish cooperative graduate education programs which will permit the students enrolled in high technology training programs to work in interested commerce and industry concerns, and also develop programs to permit present employees of the involved organizations to acquire the needed formal training for the specific high technology effort.

c. Re-examine higher education policies to encourage faculty members along with their graduate students to participate in the organization and conduct of small businesses in areas of high technology as deemed appropriate.

d. Provide university assistance--through curriculum development, counseling, and laboratory facilities--to community colleges and area vocational centers involved in high tech training.

e. Investigate ways that universities can enter into joint research projects with commerce and industry without requiring industries to forfeit their need for patenting rights.

f. Encourage commerce and industry to look first at local educational agencies before seeking consultants from other geographic regions.

CONCLUSIONS

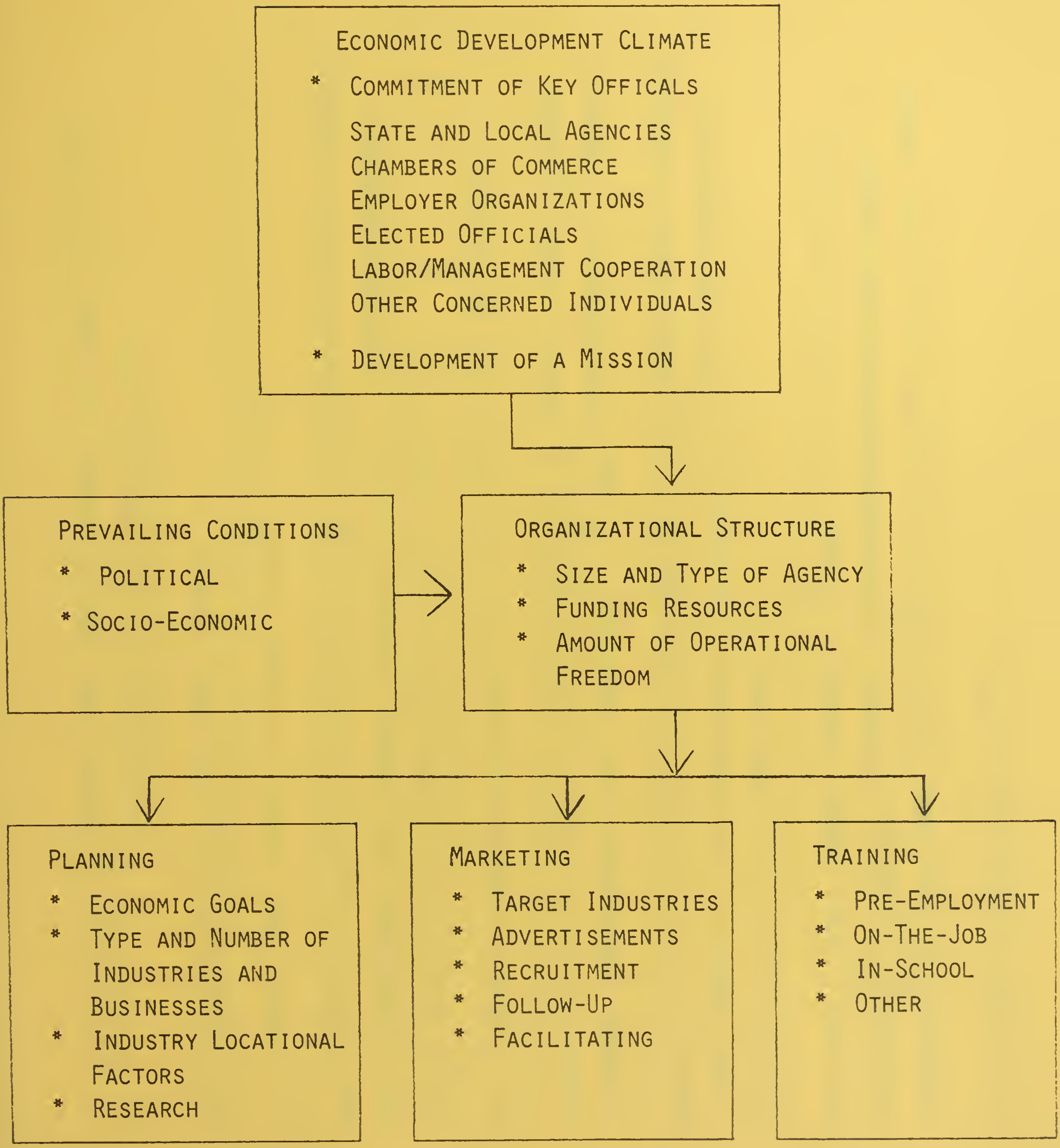
The need for the state of Illinois to implement a comprehensive plan for economic development has never been more evident. The revitalization of the economy in the state of Illinois can only be achieved through the implementation of a series of strategies designed to facilitate the restructuring of the economy to accommodate a 50 percent change of the job base every five years. Communities which have effectively organized economic development programs are in a much better position to maximize the effectiveness of the transition from an industrially-oriented to an informationally-oriented society. Research conducted at Northern Illinois University shows the potential role that education can play in the economic development scenario. Exhibit A contains a diagram on how to organize for economic development and lists the role of education in economic development at various levels.

Based on research conducted at Northern Illinois University the past 18 months, it appears that the best strategy would be a coordinated plan made up of four regional economic development centers located in Chicago, Northern Illinois, Central Illinois and Southern Illinois. As proposed, these regional economic development models would provide the maximum collaboration of commerce, industry, labor, education and government, and

would build upon one of the major strengths of the state - its system of higher education. The facilitating and coordinating process model proposed would coordinate and maximize the utilization of scarce resources and facilitate communication between and among existing private and public sector agencies. The plan does not call for the creation of any new agencies. Exhibit B is a diagram showing the agencies involved and the process for education to interact with commerce, industry, labor, and government and to serve as a catalyst in collaborative efforts that can effectuate economic revitalization in the state of Illinois. It is important to note that in this model the prime responsibility for initiating economic development activities rests with a local economic development director or commission. Exhibit C graphically portrays that the key to the state of Illinois' plan for economic development is four university-based centers serving the unique regional needs in the state.

EXHIBIT A

ORGANIZING FOR ECONOMIC DEVELOPMENT



ROLE OF PUBLIC ELEMENTARY AND SECONDARY SCHOOLS IN ECONOMIC DEVELOPMENT
AS PERCEIVED BY SCHOOL ADMINISTRATORS

1. HELP STUDENTS IN CAREER DEVELOPMENT PROCESS

2. HELP STUDENTS AND TEACHERS TO ACQUIRE ECONOMIC LITERACY

3. HELP STUDENTS TO ACQUIRE SURVIVAL SKILLS SUCH AS PERSONAL-LIFE SKILLS, PERSONAL AND INTERPERSONAL RELATIONSHIPS, INFORMATIONAL SKILLS, RESOURCE MANAGEMENT, SOCIAL SYSTEM SKILLS, TECHNOLOGICAL LITERACY, SAFETY, ETC.

4. HELP STUDENTS TO ACQUIRE EMPLOYABILITY SKILLS--ENTRY LEVEL AND UPGRADING

5. INFORM AND SECURE SUPPORT OF ADMINISTRATORS WHO IN TURN WILL INFORM TEACHERS, STUDENTS, AND PARENTS OF THE IMPORTANCE OF ECONOMIC DEVELOPMENT TO A COMMUNITY

* 6. CREATE AN EFFECTIVE PUBLIC RELATIONS PROGRAM ON THE CONTRIBUTIONS OF EDUCATION TO THE "QUALITY OF LIFE" AND MARKET THIS PROGRAM TO CURRENT AND PROSPECTIVE BUSINESS EXECUTIVES AND THEIR FAMILIES

* 7. MAKE BUSINESS AND INDUSTRY PARTNERS IN EDUCATION BY ACHIEVING AN EFFECTIVE DIALOGUE WITH LEADERS IN BUSINESS AND INDUSTRY AND SECURE THEIR SUPPORT IN COMMUNICATING EDUCATIONAL ACCOMPLISHMENTS AND IN GAINING LEGISLATIVE SUPPORT

8. HELP STUDENTS ACQUIRE BASIC SKILLS

ROLE OF COMMUNITY COLLEGES IN ECONOMIC DEVELOPMENT AS PERCEIVED BY COMMUNITY COLLEGE ADMINISTRATORS

1. COMMUNITY COLLEGES ARE SEEN AS A PLUS TO A COMMUNITY WHEN ATTEMPTING TO ATTRACT NEW BUSINESS AND INDUSTRY

2. COMMUNITY COLLEGES PROVIDE A LABOR POOL AS WELL AS TRAINING RESOURCES

3. COMMUNITY COLLEGE STAFF ARE ACTIVE IN CHAMBERS, COMMITTEES AND CIVIC PROJECTS

4. COMMUNITY COLLEGES PROVIDE STRONG ADVISORY COMMITTEE MEMBERS TO THE LOCAL CHAMBERS OF COMMERCE

* 5. COMMUNITY COLLEGES HELP MARKET THE LOCAL LABOR, COMMUNITY PROJECTS, BUSINESS AND INDUSTRIES

6. COMMUNITY COLLEGES PROVIDE A PLACE FOR MEETINGS AND ACTIVITIES OF THE COMMUNITY

7. COMMUNITY COLLEGES WORK TO PROVIDE AND MAINTAIN WHAT BUSINESS AND INDUSTRY SEE AS ESSENTIAL TO A COMMUNITY:
   --LEISURE TIME ACTIVITIES TO ATTRACT QUALITY EMPLOYEES
   --A CONSULTANT POOL WITHIN A CLOSE AREA

8. SOME COMMUNITY COLLEGES ARE BEGINNING TO OFFER WRITING AND TECHNICAL ASSISTANCE IN GRANT PREPARATION

SPECIFIC EXAMPLES OF HOW COMMUNITY COLLEGES HELP IN THE ECONOMIC DEVELOPMENT PROCESS

* PROVIDING FULL-TIME ASSOCIATE DEGREE AND VOCATIONAL DIPLOMA PROGRAMS THAT ARE TECHNICALLY CURRENT AND IN DEMAND;

* PROVIDING IN-PLANT TRAINING FOR WORKERS ALREADY EMPLOYED BY EXISTING INDUSTRY;

* PROVIDING PRE-EMPLOYMENT TRAINING THAT IS CONDUCTED FOR PROSPECTIVE EMPLOYEES BEFORE A NEW PLANT OPENS OR AN EXISTING ONE EXPANDS OR RELOCATES;

* PROVIDING RETRAINING OF EMPLOYEES TO UPDATE THEM FOR CHANGES RESULTING FROM TECHNOLOGICAL INNOVATIONS;

* PROVIDING TRAINING PROGRAMS, COURSES, AND SEMINARS TO AID BUSINESS OWNERS/ MANAGERS IN THE MARKETPLACE;

* EXPANDING AND UPGRADING EMPLOYMENT OPPORTUNITIES BY PROVIDING TECHNICAL ASSISTANCE TO BUSINESS AND INDUSTRY;

* PROVIDING TRAINING AND SUPPORT SERVICES TO INVENTIVE, CREATIVE, AND/OR INNOVATIVE ENTREPRENEURS;

* MAKING THE EXISTING DATA BASE AVAILABLE FOR LOCAL BUSINESS AND INDUSTRY AS A CENTRAL SOURCE FOR REFERRALS AND ASSISTANCE

ROLE OF NORTHERN ILLINOIS UNIVERSITY IN ECONOMIC DEVELOPMENT

(TENTATIVE PLANS)

1. CONDUCT AND DISSEMINATE THE RESULTS OF A WIDE ARRAY OF RESEARCH AND DEVELOPMENT PROJECTS AND ACTIVITIES

2. CONDUCT EDUCATION AND TRAINING ACTIVITIES AT JOB LEVELS ABOVE THOSE NORMALLY ASSOCIATED WITH COMMUNITY COLLEGES AND SECONDARY SCHOOLS

* 3. HELP PROVIDE THREE LEVELS OF TRAINING AND EDUCATION FOR LOCAL, REGIONAL AND STATE ECONOMIC DEVELOPMENT PERSONNEL

4. MATCH THE RESEARCH AND TECHNICAL ASSISTANCE CAPABILITIES OF FACULTY AND STAFF WITH THE NEEDS OF BUSINESS AND INDUSTRY

5. HELP MAKE AVAILABLE THE STAFF AND FACILITIES OF THE UNIVERSITY TO SERVE THE NEEDS OF BUSINESS AND INDUSTRY ON A COST RECOVERY BASIS

6. IDENTIFY AND DISSEMINATE THE TRAINING, EDUCATION AND FACILITY CAPABILITIES OF BOTH PRIVATE AND PUBLIC SECTOR THAT COULD BE MADE AVAILABLE IN MEETING THE HUMAN RESOURCE NEEDS OF BUSINESS AND INDUSTRY

* 7. EXPLORE INNOVATIVE COST-SHARING STRATEGIES BETWEEN AND AMONG PRIVATE AND PUBLIC SECTOR AGENCIES WITH TRAINING, EDUCATION AND RESEARCH CAPABILITIES

8. CONDUCT AND DISSEMINATE LABOR MARKET DATA AND TRAIN ECONOMIC DEVELOPMENT AND OTHER PERSONNEL IN HOW TO UTILIZE

* 9. PROVIDE QUARTERLY REGIONAL ECONOMIC FORECASTING DATA AND CONDUCT TRAINING IN HOW TO UTILIZE

* 10. PROVIDE TRAINING FOR EDUCATORS ON HOW TO "MARKET" THEIR SERVICES

11. HELP PROVIDE THE TEACHER EDUCATORS AND TECHNICAL ASSISTANCE TRAINING AND EDUCATION DESIRED BY PUBLIC SCHOOLS AND COMMUNITY COLLEGES IN AREAS SUCH AS ECONOMIC EDUCATION, CAREER EDUCATION, VOCATIONAL EDUCATION AND IN HELPING TO RETAIN AND SECURE BUSINESS AND INDUSTRY

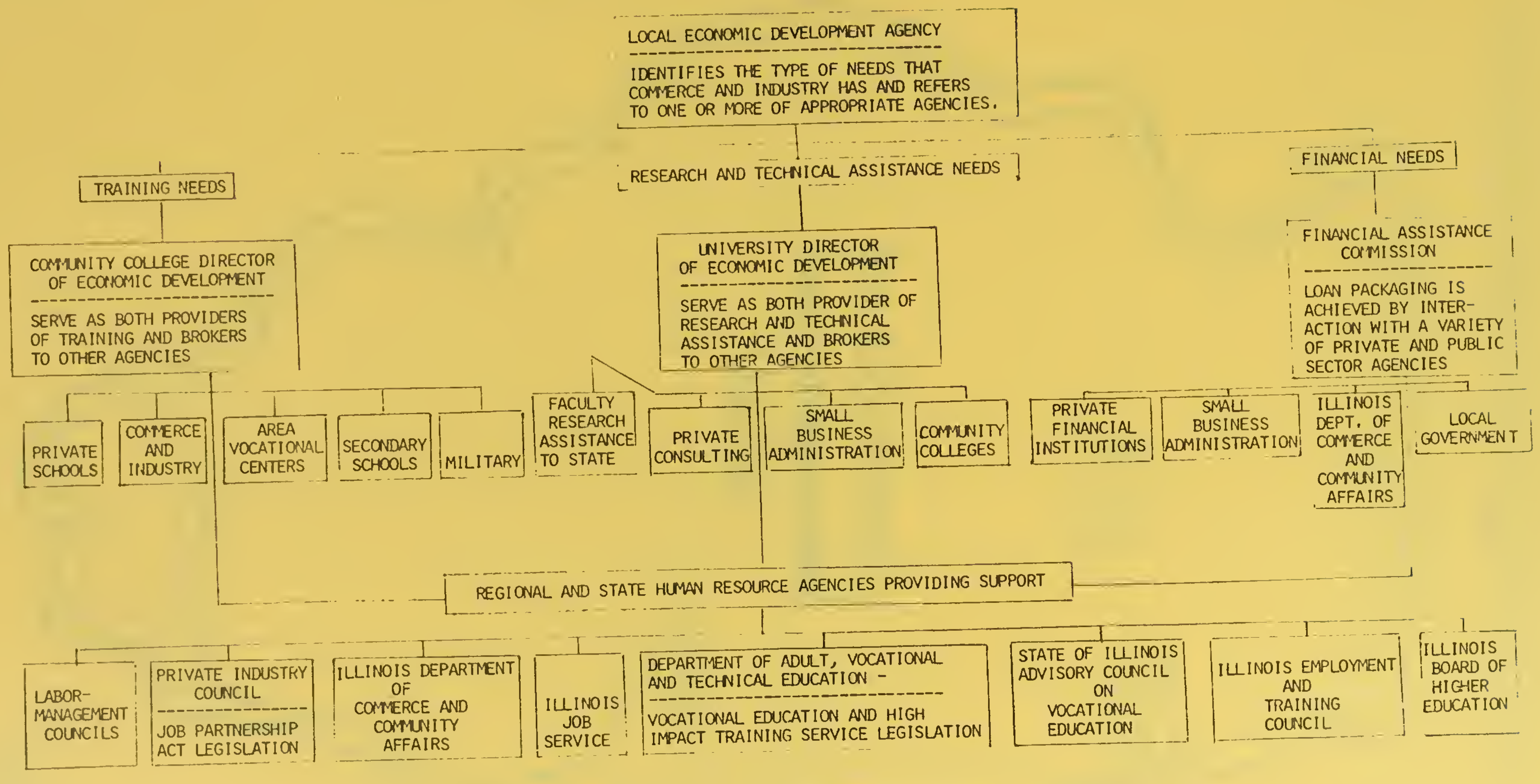
12. EXPLORE INNOVATIVE STRATEGIES AND DELIVERY SYSTEMS FOR SERVING THE CUSTOMIZED TRAINING AND TECHNICAL ASSISTANCE NEEDS OF BUSINESS AND INDUSTRY--FRATS, LINDA HALL LIBRARY, BEAMED SATELLITE TRAINING PROGRAMS

13. CO-SPONSOR AND CONDUCT SEMINARS AND CONFERENCES THAT WOULD ASSIST IN FOSTERING ECONOMIC DEVELOPMENT IN THE REGION

* 14. DESIGN AND IMPLEMENT AN ADMINISTRATIVELY-EFFECTIVE "MODEL" ON A REGIONAL BASIS THAT WILL ALLOW FOR THE MANAGEABLE COORDINATION OF A LARGE NUMBER OF ACTIVITIES AND AGENCIES INVOLVED IN ECONOMIC DEVELOPMENT

EXHIBIT B

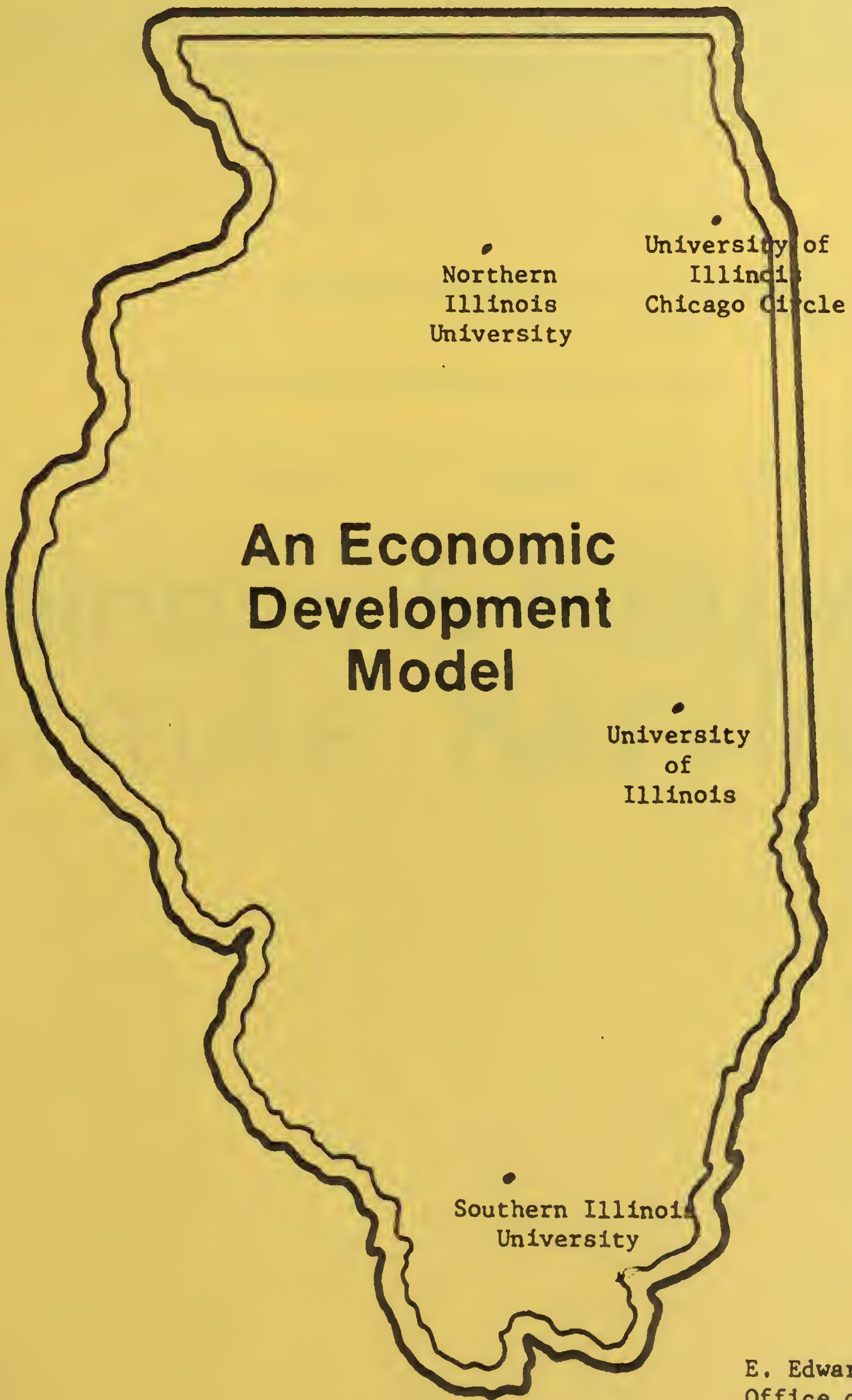
ROLE OF EDUCATION IN THE ECONOMIC DEVELOPMENT PROCESS


LOCAL ECONOMIC DEVELOPMENT AGENCY
IDENTIFIES THE TYPE OF NEEDS THAT COMMERCE AND INDUSTRY HAS AND REFERS TO ONE OR MORE OF APPROPRIATE AGENCIES.
TRAINING NEEDS
RESEARCH AND TECHNICAL ASSISTANCE NEEDS
FINANCIAL NEEDS
COMMUNITY COLLEGE DIRECTOR OF ECONOMIC DEVELOPMENT
SERVE AS BOTH PROVIDERS OF TRAINING AND BROKERS TO OTHER AGENCIES
UNIVERSITY DIRECTOR OF ECONOMIC DEVELOPMENT
SERVE AS BOTH PROVIDER OF RESEARCH AND TECHNICAL ASSISTANCE AND BROKERS TO OTHER AGENCIES
FINANCIAL ASSISTANCE COMMISSION
LOAN PACKAGING IS ACHIEVED BY INTERACTION WITH A VARIETY OF PRIVATE AND PUBLIC SECTOR AGENCIES
PRIVATE SCHOOLS
COMMERCE AND INDUSTRY
AREA VOCATIONAL CENTERS
SECONDARY SCHOOLS
MILITARY
FACULTY RESEARCH ASSISTANCE TO STATE
PRIVATE CONSULTING
SMALL BUSINESS ADMINISTRATION
COMMUNITY COLLEGES
PRIVATE FINANCIAL INSTITUTIONS
SMALL BUSINESS ADMINISTRATION
ILLINOIS DEPT. OF COMMERCE AND COMMUNITY AFFAIRS
LOCAL GOVERNMENT
REGIONAL AND STATE HUMAN RESOURCE AGENCIES PROVIDING SUPPORT
LABOR-MANAGEMENT COUNCILS
PRIVATE INDUSTRY COUNCIL
JOB PARTNERSHIP ACT LEGISLATION
ILLINOIS DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS
ILLINOIS JOB SERVICE
DEPARTMENT OF ADULT, VOCATIONAL AND TECHNICAL EDUCATION -
VOCATIONAL EDUCATION AND HIGH IMPACT TRAINING SERVICE LEGISLATION
STATE OF ILLINOIS ADVISORY COUNCIL ON VOCATIONAL EDUCATION
ILLINOIS EMPLOYMENT AND TRAINING COUNCIL
ILLINOIS BOARD OF HIGHER EDUCATION

- E. EDWARD HARRIS
FEBRUARY 1, 1983

EXHIBIT C

KEY TO STATE OF ILLINOIS PLAN FOR ECONOMIC DEVELOPMENT
IS FOUR UNIVERSITY-BASED CENTERS SERVING REGIONS OF STATE


Northern Illinois University
University of Illinois Chicago Circle
An Economic Development Model
University of Illinois
Southern Illinois University

E. Edward Harris, Director
Office of Business Research
Northern Illinois University

WHO TO CALL FOR MORE INFORMATION

QUESTIONS AND ANSWERS ABOUT WAUBONSEE COMMUNITY COLLEGE

LIMITED ENGLISH PROFICIENCY PROGRAM
ACADEMIC ASSESSMENT

RELATED INSTRUCTION FOR APPRENTICE PROGRAMS
FACILITIES FOR USE BY BUSINESS AND INDUSTRY

SHORT COURSES, SEMINARS AND SPECIAL PROGRAMS

CUSTOM DESIGNED COURSES AND PROGRAMS

A SAMPLE OF ACCREDITED PROGRAM OFFERINGS AND SELECTED CREDIT COURSES

PHILOSOPHY AND PURPOSE IN THE INSTITUTE

PRESIDENT'S MESSAGE TO BUSINESS AND INDUSTRY

Business & Industry Institute Services

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0911553

Waubonsee
Community
College

TO: Members of the Business and Industrial Community

One of Waubonsee Community College's goals for the coming year is to enhance economic development activities in the district.

As a start the administrative staff has met with officials from many of the local communities to establish a mechanism to meet the needs of business and industry. Furthermore, on December 15, 1981, the Waubonsee Community College Board of Trustees endorsed the establishment of the College's Business and Industry Institute.

It is our hope that this publication will serve to identify the broad spectrum of educational services which can be provided by the College. Should there be any other items or activities which are needed, feel free to contact members of our staff who are listed near the end of this document.

We look forward to the challenge of the coming years and we hope we can join with you in a partnership relationship which will ultimately strengthen our community, state, and nation.

John J. Swalec
President

PRESIDENT'S MESSAGE TO BUSINESS AND INDUSTRY

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RELATED INSTRUCTION FOR APPRENTICE PROGRAMS

ACADEMIC ASSESSMENT

LIMITED ENGLISH PROFICIENCY PROGRAM

QUESTIONS AND ANSWERS ABOUT WAUBONSEE COMMUNITY COLLEGE

WHO TO CALL FOR MORE INFORMATION

PHILOSOPHY AND PURPOSE IN THE INSTITUTE

In order to meet the needs of business and industry, the philosophy and purpose of the institute will be to operate in an open, creative and imaginative format. The institute will maximize the College's involvement with business and industry, while it will focus mainly on the needs of the corporation, it will also recognize that the individual employee being served may have professional and personal goals which also need to be met.

The programs and services that the Institute will offer for business and industry will play a key role in developing the human resources within each corporation. This will be accomplished by providing programs, courses, technical seminars and consulting services within the framework of the Institute and which, in turn, should generate additional activities throughout other departments of the College.

More specifically, the role of the Institute will be as follows:

To provide custom-tailored training courses/programs located either in the business facility or at the College facility.

To provide very intense short term technical training in the form of seminars.

To provide consultant services to business and industry regarding training problems.

To seek special funding in the form of high intensity training service grants or economic development funding assistance.

To provide special non-credit courses to meet a unique training need which cannot be met by existing courses and course sequence.

To provide courses with enrollment restricted to the corporation's employees.

WHO TO CALL FOR MORE INFORMATION

QUESTIONS AND ANSWERS ABOUT WAUBONSEE COMMUNITY COLLEGE

LIMITED ENGLISH PROFICIENCY PROGRAM
ACADEMIC ASSESSMENT

RELATED INSTRUCTION FOR APPRENTICE PROGRAMS

FACILITIES FOR USE BY BUSINESS AND INDUSTRY

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A SAMPLE OF ACCREDITED PROGRAM OFFERINGS AND SELECTED CREDIT COURSES

PHILOSOPHY AND PURPOSE IN THE INSTITUTE

A SAMPLE OF ACCREDITED PROGRAM OFFERINGS

Baccalaureate Oriented Programs: Accounting - Business Administration - Pre-Engineering

Occupational Oriented Programs: Accounting - Business Administration

Mid-Management - Data Processing - Electronics - Industrial Maintenance - Machine Tool Technology - Real Estate - Secretarial and Office Careers - Drafting

Certificate Programs: Accounting Clerk - Payroll Clerk - Finance - Insurance -

Marketing - Mid-Management - Small Business Administration - Computer Operations - Electronics - Machine Tool Operation - Advanced Machine Tool Operations - Real Estate - Clerical Office - Office Management - Secretarial and Office Careers - Touch Shorthand - Word Processing - Drafting - Audio Specialist - Communications Specialist - Television Specialist - Materials Management - Production Management - Welding

SELECTED CREDIT COURSES

General Education Development (G.E.D.) courses - English as a Second Language - Limited English Proficiency in: Machine Tool - Secretarial and Office Careers

Stick Arc - MIG - TIG - Gas Welding

Machine Tool Lab I, II, and III - Manufacturing Processess - Metallurgy and Heat Treatment

Technical Mathematics I, II, and III - Basic Statistics - Plane Trigonometry - Elementary Geometry

Hydraulics - Pneumatics

Industrial Electricity I and II

Introduction to Numerical Control - Numerical Control Maintenance.

Basic Electricity/Electronics - Passive Devices and Circuit Theory - Active Devices - Microprocessor Applications

Statics and Dynamics - Strength of Materials

Principles of Bank Operation - Credit Administration - Commercial Lending Analysis

WHO TO CALL FOR MORE INFORMATION
QUESTIONS AND ANSWERS ABOUT WAUBONSEE COMMUNITY COLLEGE
LIMITED ENGLISH PROFICIENCY PROGRAM
ACADEMIC ASSESSMENT
RELATED INSTRUCTION FOR APPRENTICE PROGRAMS
FACILITIES FOR USE BY BUSINESS AND INDUSTRY
SHORT COURSES, SEMINARS AND SPECIAL PROGRAMS
CUSTOM DESIGNED COURSES AND PROGRAMS
A SAMPLE OF ACCREDITED PROGRAM OFFERINGS AND SELECTED CREDIT COURSES

CUSTOM DESIGNED COURSES AND PROGRAMS

Special training problems require special educational solutions. The staff of the Business and Industry Institute can design a short course or series of courses to solve those special training problems. Some examples include:

Employees can be trained to operate electrical and electronic test equipment in the safety of a classroom and can graduate to controlled situations, under the supervision of a qualified instructor, on the very equipment that they work with on a day-to-day basis.

A qualified Institute staff member can assist employees to improve their troubleshooting skills on these essential pieces of equipment that must operate.

Proofreading procedures developed by the staff of the Institute can minimize costly errors in today's electronic office.

Employees faced with a new word processing unit can be brought up to operating efficiency faster based on a review, evaluation and custom designed skill development program prepared by the Institute's staff.

Improved supervisory skills can contribute in a significant manner to employee productivity. The Institute's staff can assist you in developing and evaluating training programs to meet your staff's needs ranging from general management skills, finance and marketing to manufacturing management.

Good verbal and written communications in an organization are essential. The Institute's staff has developed seminars ranging from proper telephone usage to effective business letter writing for managers.

More and more companies are exploring career development and pathing for their employees. The staff of the Institute can assist companies in assessing the academic skills, attitudes toward learning and skills in such basic areas as reading, mathematics, and writing. Assessment of the employees' skills can be done in the privacy of the Institute, at the companies' facility either on an individual basis or on a mass basis.

The staff of the Business and Industry Institute are working professionals whose life experiences in business and industry has provided them with practical time saving insights into training problems.

CUSTOM DESIGNED COURSES AND PROGRAMS
SHORT COURSES, SEMINARS AND SPECIAL PROGRAMS
FACILITIES FOR USE BY BUSINESS AND INDUSTRY
RELATED INSTRUCTION FOR APPRENTICE PROGRAMS
ACADEMIC ASSESSMENT
LIMITED ENGLISH PROFICIENCY PROGRAM
QUESTIONS AND ANSWERS ABOUT WAUBONSEE COMMUNITY COLLEGE
WHO TO CALL FOR MORE INFORMATION

SHORT COURSES AND TECHNICAL SEMINARS

More and more companies are discovering that Waubonsee Community College can provide educational solutions to many highly specific training problems in the office and out on the shop floor.

Waubonsee Community College staff works closely with each client company to clearly define the problem and the appropriate steps necessary to solve the problem.

In one instance, a local company found that downtime on two N/C machines was well into five digits. Waubonsee Community College staff worked closely with company personnel and determined that an ample number of printed circuit boards and electrical components were in inventory. Any repairs, short of complete replacement of the primary electrical and electronic units, was feasible. Waubonsee Community College designed a special course for the maintenance staff and machine operators, which allowed either group to replace defective components with a minimum of downtime. Downtime on both machines was reduced to less than five digits.

SPECIAL PROGRAMS FOR BUSINESS AND INDUSTRY

Several companies have defined training needs that are best fulfilled by a series of courses. Credit courses for a special program may be drawn from one program or from several college programs.

Special programs have been established for employees who have completed apprentice programs or other formal training and for employees whose job skills must be upgraded to keep pace with the technology that they are involved with on a day-to-day basis.

Waubonsee will assist a company in defining their training needs and in developing the appropriate course sequence.

All currently operational special programs are made up of existing credit courses. This procedure helps to encourage employees to continue their education and to increase their value and worth to the company.

Certificates are awarded to employees who complete a special program, provided the employees have maintained an acceptable qualitative level of achievement.

WHO TO CALL FOR MORE INFORMATION
QUESTIONS AND ANSWERS ABOUT WAUBONSEE COMMUNITY COLLEGE
LIMITED ENGLISH PROFICIENCY PROGRAM
ACADEMIC ASSESSMENT
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RELATED INSTRUCTION FOR APPRENTICE PROGRAMS

Waubonsee Community College has assisted companies in developing apprentice programs which have been approved by the Department of Labor. The companies provide and supervise the required on-the-job training needed by the apprentices, while Waubonsee Community College provides the related instruction.

Waubonsee Community College will provide a qualified staff member to work with the apprentices insuring that not only the material is covered, but also that appropriate measures of the extent of learning occur and that interaction between students and the staff member occur.

If a sufficient need exists, the course or courses are offered and enrollment is limited to apprentices. Courses offered under these conditions can be held on or off our main campus, on days or evenings, and at times favorable to all parties.

FACILITIES AVAILABLE FOR USE BY BUSINESS AND INDUSTRY

College facilities are available for use by local companies.

Audio-visual equipment ranging from overhead projectors to closed-circuit television is also available.

The strength of materials and metallurgy laboratory are available without charge for use by qualified company personnel.

Additional laboratory facilities are available based on the nature of the experiments to be conducted and availability of the facilities.

Library facilities are also available to company personnel. Information searches will be conducted and bibliographies prepared for a nominal fee.

WHO TO CALL FOR MORE INFORMATION
QUESTIONS AND ANSWERS ABOUT WAUBONSEE COMMUNITY COLLEGE
LIMITED ENGLISH PROFICIENCY PROGRAM
ACADEMIC ASSESSMENT
RELATED INSTRUCTION FOR APPRENTICE PROGRAMS
FACILITIES FOR USE BY BUSINESS AND INDUSTRY

LIMITED ENGLISH PROFICIENCY PROGRAM

Waubonsee Community College has developed and is currently offering a program of vocational training which has been designed for people of limited English proficiency who want to acquire technical skills and experience.

The program provides vocational training and English language training in Machine Tool Technology and Secretarial and Office Careers. The courses parallel existing college courses and use adapted instructional materials.

English skills necessary for technical training and for on-the-job performance are stressed.

In addition to instructional services, students receive referral, assessment counseling, and follow-up services.

ACADEMIC ASSESSMENT

For many employees, returning to school can be a trying experience. These employees approach the college environment with an air of trepidation, rather than with a positive, optimistic attitude.

The Waubonsee Community College Assessment Center was designed to assist employees to reach realistic conclusions about their skills and knowledge.

The comprehensive testing program covers the following areas:

Reading
English Usage
Writing Analysis
Mathematics

A career planning program is also available along with interest and aptitude tests.

WHO TO CALL FOR MORE INFORMATION
QUESTIONS AND ANSWERS ABOUT WAUBONSEE COMMUNITY COLLEGE
LIMITED ENGLISH PROFICIENCY PROGRAM
ACADEMIC ASSESSMENT

QUESTIONS AND ANSWERS ABOUT WAUBONSEE COMMUNITY COLLEGE

Is Waubonsee an accredited community college?

Yes. Waubonsee is fully accredited by North Central Association of Colleges and Secondary Schools. The College is also approved by the Illinois Community College Board.

Will all Waubonsee Community College courses transfer to senior colleges and universities?

No. Some senior colleges and universities do not have courses or programs comparable to Waubonsee courses and programs. Employees who wish to consider transferring to a senior college or university should discuss their educational program with an advisor or counselor so as to maximize the number of courses that will transfer.

One of our employees has attended another community college and two other employees have completed courses at a university. Will Waubonsee accept the courses that they have taken?

The decision to accept or reject courses from other schools will be made by the Office of Admissions and Records. An official transcript will be required in order to make the determination.

Several of our employees are veterans. Are they entitled to receive VA benefits?

Employees should call the Office of Admissions and Records prior to registration to determine what documentation they should bring with them in order to determine if they are qualified to receive VA benefits.

Can we obtain a copy of a students grade report?

Employees can submit a copy of their grade report to their employer or they may stop in at the Office of Admissions and Records and request that a transcript be sent to their employer, free of charge.

Will employees receive a grade for each course that they complete?

Grades are assigned for all credit courses. Grades can be assigned for short courses if the company desires. We do not usually assign grades for seminars due to their extremely short duration.

Can an employee withdraw from a course and receive a refund?

It all depends on when the employee decides to drop the course. There are specific rules and regulations that are strictly enforced that apply to these two situations. The Waubonsee Community College catalog will provide you with specific details regarding both of these situations.

We have had several employees ask if they have to pay for their books and tuition at the same time. What is the College's position on this?

Normally we expect payment in full for tuition at the time of registration. If the tuition and fees exceed $150, however, a deferred tuition and fee payment may be arranged with the Office of Business Services. In this case, a 50 percent downpayment is required and a $5 delayed payment fee will be charged. Textbooks need not be purchased at the time of registration but must be paid for in full when they are purchased.

WAUBONSEE COMMUNITY COLLEGE RESOURCE PERSONNEL

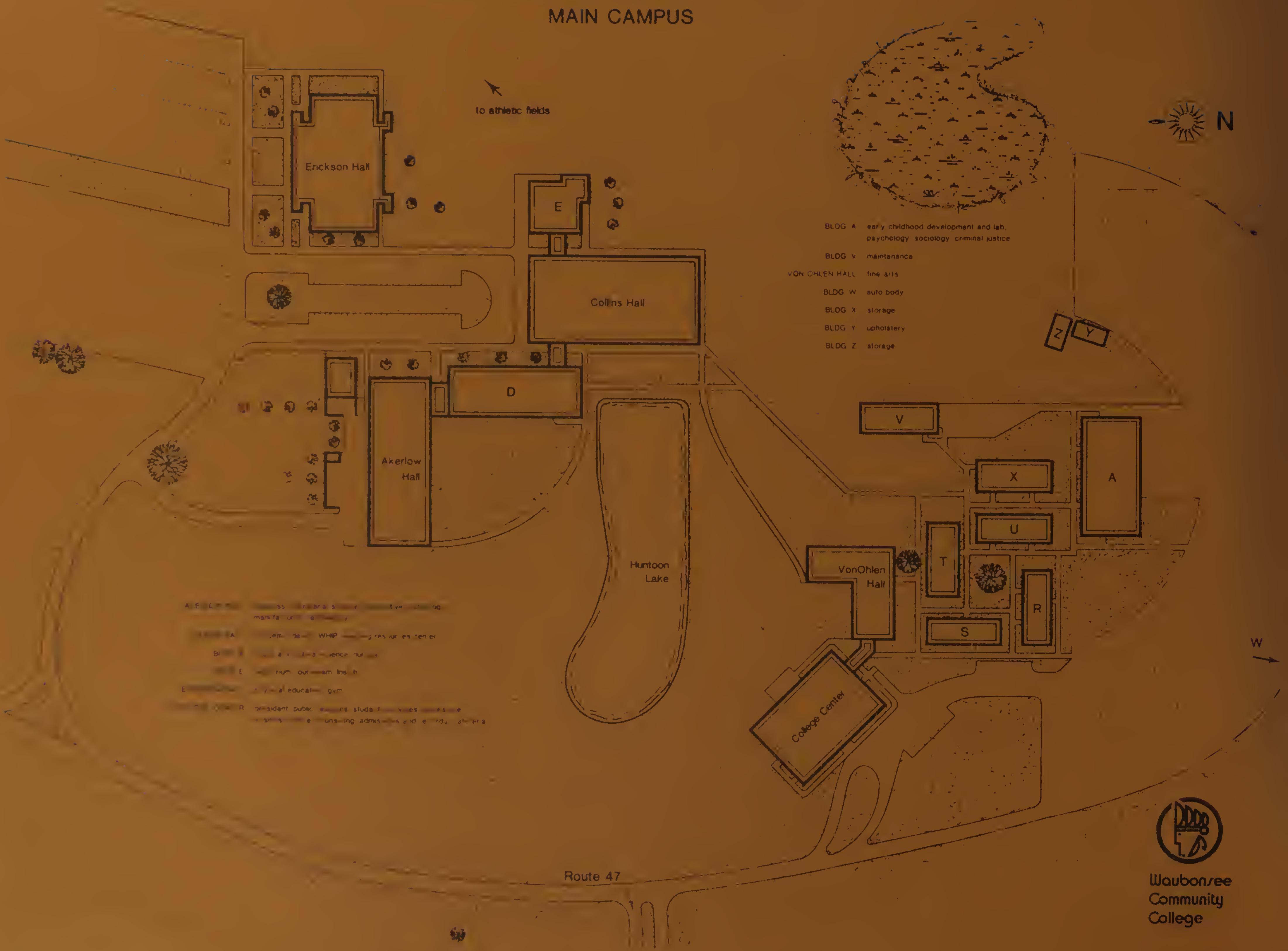
Waubonsee Community College recognizes its committment to meet the needs of business and industry. In order to fully meet the needs of business and industry, improve our response time, maintain continuity from one program to another, and to insure accountability, a full time person has been appointed to act as a representative to business and industry.

To discuss your corporation's training needs or for further details regarding our services for business and industry, call or write:

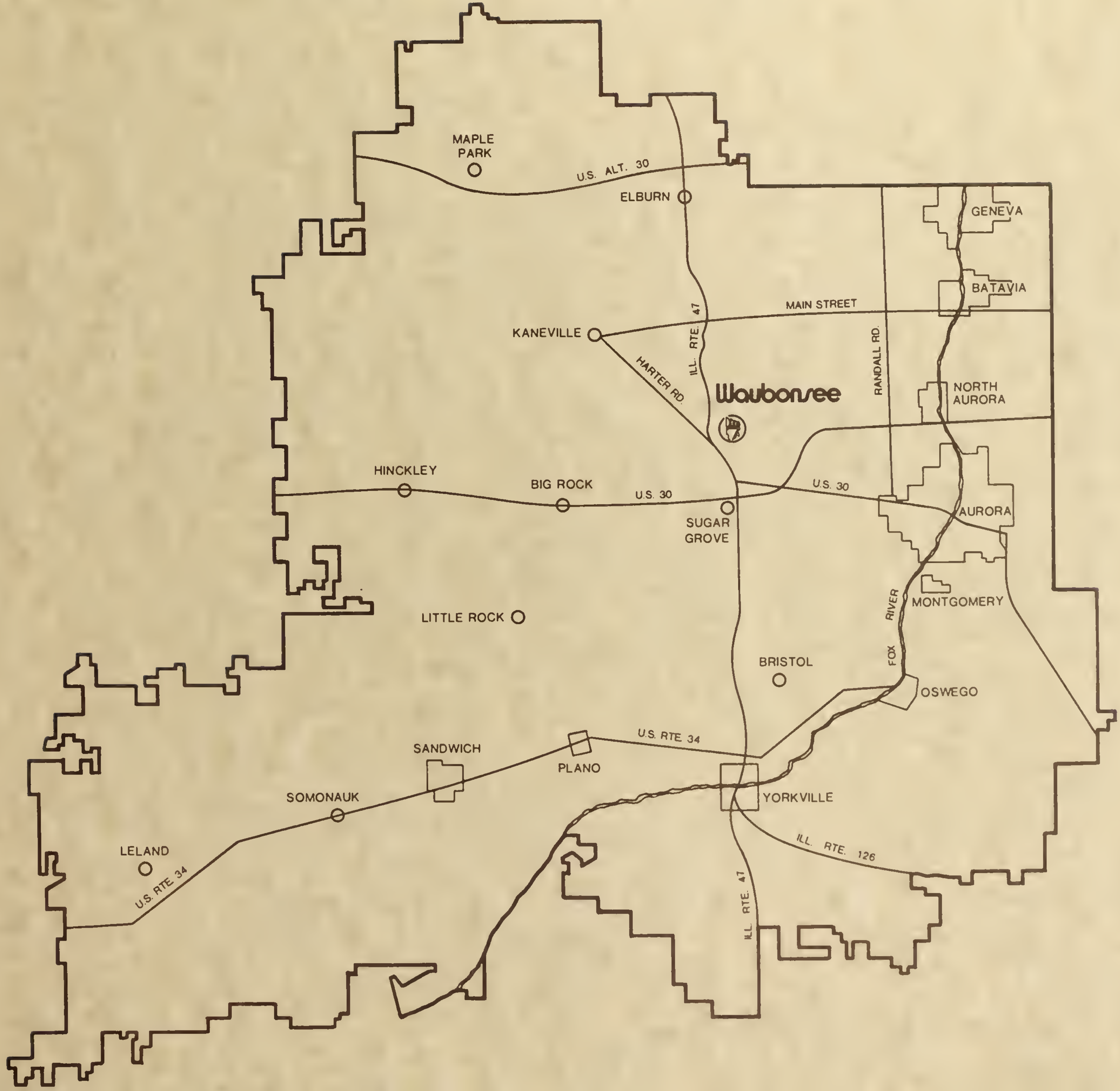
Margaret Olson, Associate Director
Business and Industry Institute
Waubonsee Community College
Illinois Route 47 at Harter Road
Sugar Grove, Illinois 60554
(312) 466-4811, extension 590

WHO TO CALL FOR MORE INFORMATIO

WAUBONSEE COMMUNITY COLLEGE
MAIN CAMPUS



Waubonsee
Community
College


MAPLE PARK
U.S. ALT. 30
ELBURN
GENEVA
BATAVIA
MAIN STREET
KANEVILLE
HARTER RD
ILL. RTE. 47
Waubonsee
RANDALL RD.
NORTH AURORA
HINCKLEY
BIG ROCK
U.S. 30
SUGAR GROVE
U.S. 30
AURORA
MONTGOMERY
FOX RIVER
LITTLE ROCK
BRISTOL
OSWEGO
U.S. RTE. 34
SANDWICH
PLANO
SOMONAUK
YORKVILLE
LELAND
U.S. RTE 34
ILL. RTE. 126
ILL. RTE. 47

WAUBONSEE COMMUNITY COLLEGE
ILLINOIS ROUTE 47 AT HARTER ROAD
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NATIONAL ASSOCIATION OF EXECUTIVE DIRECTORS
OF
STATE ADVISORY COUNCILS ON VOCATIONAL EDUCATION

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VOCATIONAL EDUCATION

ITS ROLE IN ECONOMIC DEVELOPMENT & HIGH TECHNOLOGY

What is economic development? Is economic development for one area economic decline for another? Is economic development simply encouraging industry to move from one area to another? Is economic development encouraging emerging or new industries to locate in a given geographic area? Is economic development merely diversification and expansion of industry within a defined geographic area?

"Economic development" has become a political catchword which is misused, abused and for the most part misunderstood. Most people who talk about economic development in reference to their specific geographic area are really talking about a combination of industrial diversification, industrial expansion and economic development. Economic development on a national scale must be differentiated from state and local development. For example, the movement of the electronics industry from the Silicon Valley in California to Florida is economic relocation when viewed from a national perspective, not economic development. What is industrial diversification/expansion for Florida is definitely economic decline in the Silicon Valley of California. However, true national economic development would occur if the facility in the Silicon Valley Project were retrained; thereby, causing a positive effect on the Gross National Product.

Ultimately, industrial relocation under the disguise of economic development, does not benefit the nation as a whole. Relocation does not promote long-term expansion of the national economy unless increased productivity results from the move. With each movement of industry from one location to another comes a boom and bust situation. The economic environment of the area receiving the industry booms, and the economic environment of the area losing the industry busts.

Industrial relocation may occur when another geographic location has lower costs of labor and capital investment than the area in which the industry is now located. The reduced cost of the production results in the sale of the product or service at an equally reduced cost, and the national economy expands. Conversely, if the sale price of the product or service is not reduced or reduced at lesser rate, the economy will deflate not expand. On a national scale, industrial relocation should not be the major goal of vocational education. However, the vocational education delivery system should respond to those needs of industrial relocation. Federal policy in vocational education should address the need of true economic development (industrial economic expansion).

Economic development for vocational education must focus on productivity, rapid expansion of American industry into new and emerging technologies for world trade and internal consumption (e.g. solar technology), and development of the vocational skills which support expanding technologies. If national legislation focuses upon the ability of states to relocate industry, the national goals of economic development will not be well served. Industrial expansion/diversification within a state based upon industrial relocation, should be the sole responsibility of the states and municipalities as it does

little to improve the national economy.

The role of vocational education in fostering economic development should in no way detract from the necessity to maintain the existing vocational system. The Federal government must continue its role of assuring an effective overall delivery system for vocational education at both the secondary and postsecondary levels.

The Administration, Congress, the education and industrial communities have grown increasingly concerned about America's role in what is being called "High Technology". Considerable dialogue is occurring regarding research and grants programs in high technology. The focus of most discussion is on putting America in the lead of high technology in order that we may capture a larger percentage of the world market as the products of high technology become broadly available and affordable.

In an effort to stabilize and expand our country's economic base, national efforts will be made to entice foreign manufacturers to locate in America, and American manufacturers will be encouraged to move their production back to American soil. While doing nothing to bolster the world economy, this will in fact expand the economic and production base of America.

Vocational education has a fundamental role in both the area of high technology and new technologies in addition to supporting the movement of production back to American soil. If national economic development is to be built upon high technology and the repatriation of industry, vocational education must be considered a basic link in the chain of activities. A well prepared workforce is essential.

Massive financial efforts will be made to put America in the lead of high technology. Unless the new initiative is carefully planned, there will be a leap from science to high technology, leaving a void in the area of vocational training for skills necessary to support the production of goods and services which will enable high technology investment to flourish.

Discussion of high technology inevitably leads to discussion of such institutions as M.I.T., Cal-Tech, Stanford, etc. This nation must face the fact that a very low percentage of individuals will be involved in high technology at the Cal-Tech levels. Ultimately, thousands and in some cases hundreds of thousands of vocationally and technically trained individuals will be necessary to produce, distribute and provide customer service for the products and services resulting from high technology. If the investment in vocational education is not increased in proportion with the investment in high technology development, America could find itself with the most efficient mode of transportation known to man but unable to deliver it on a large scale, or what's worse, able to maintain it in the field. Possibly some attention could be given to make all high technology products disposable and biodegradable.

There is a role for vocational education in aspects of economic development. Any change in goods and services production must be linked to vocational training, retraining or upgrading. Vocational education is the foundation upon which high technology must depend to produce and market the product of development. In the area of high technology, it is certain that a solid vocational skills background keyed to current and future conditions in the job market is essential to the people who will be on the cutting edge of high technology research and develop-

ment. In the field of high technology, vocational education is not an end for the trained individual, but it may well be the very beginning.

The repatriation of American industry and the relocation of foreign industry as a national economic development effort must provide for a continuing vocational education operation in support of international industrial relocation. In order to facilitate relocation, state systems must be provided funds which can be utilized in a quick start-up manner to provide training in areas critical to the national effort.

Funds earmarked for economic development must address issues which represent new economic growth for the nation. Economic development must support the overall national economy, recognizing that the efforts to attract new industry to different locations will continue and should be financed by the states and municipalities engaged in interstate and intrastate industrial movement.

To address the human resource development for national economic development, funds must be made available to meet the need to establish vocational education programs for training and retraining individuals in the support skills of high technology and relocated international production.

A true national economic development effort should emphasize increased productivity. A concerted effort at increasing productivity by both the public and private sector must be made. Neither the public nor private sector alone can make the necessary transition. While vocational education is not the sole solution to increased productivity, it is an integral part of the process.

To increase productivity we must look at worker motivation, more realistic transition from training to work, as well as further mechanization of the work place. Vocational education research must be continued to truly identify those factors of productivity which vocational education can affect.

The Federal government has the responsibility to provide leadership and financial support for the vocational education system, to keep it current with the advancement of technology and the needs of economic development.

be expanded to include alternatives and contingency plans.) For those elements that affect profit, the estimated effect of the recommended strategy is reported in the right hand column. This column provides the basis for much of the profit plan.

The worksheets are summary documents. In some cases the cell entry will include a reference to an appendix that gives a supporting analysis. One advantage of a worksheet is that it gives the analyst an opportunity to see the data in any order, not just sequentially, as would occur with a checklist. Random visualization will reveal new relationships and new creative alternatives. The consulting firm of Arthur D. Little for example, developed a 17- by 22-inch "Strategy Center Profile" so that clients could see all of the relevant data when they were developing a corporate strategic plan [1]

A worksheet should not be confused with a planning checklist. A checklist simply suggests points to consider. The worksheet goes beyond this function to help in the assembly of key facts into a logical order. These facts are then translated into conclusions, problems, opportunities, and strategies. The worksheets provide the inputs for the brand profit plan, as is illustrated in Fig. 2.1. Completion of the worksheets constitutes a *marketing audit* of a brand.

The Marketing Plan The final form used to present the marketing plan will vary greatly among firms. The format shown in Fig. 2.1 is used by several firms in the consumer-products field.[2] The first three headings—"Current performance," "Recommendations," and "Effect of recommendations on income"—are for busy executives. These three key components of a plan can be presented in one page. The remainder of the plan provides the support for this first page. The arrows in Fig. 2.1 show where the data come from when the plan is put in its final form for management approval.

The worksheets are presented here in very brief form so that you can see the entire planning system and the relationships among its parts. In later chapters each of the major elements will be expanded for a deeper understanding.[3]

ASKING THE CRITICAL QUESTION An experienced planner intuitively asks the critical questions when analyzing a marketing problem. He or she knows what data are relevant and what to do with them after they are collected. One of the goals of the worksheet approach is to teach the new planner to ask the critical questions. It is not possible to list all of the questions that would be relevant to all industries, products, and brands, but illustrative questions for the major sections of the worksheets are possible. The young brand manager will want to seek the advice of his or her superiors, peers, and staff persons in identifying the critical questions for a plan.

Environmental Analysis Critical Questions Some of the most common critical questions that are asked during an analysis of the planning environment are as follows.

Organizational values, objectives, and policies. What are the personal values of those persons in control? How are these values translated into organizational objectives? How do policies constrain alternative means for meeting goals? These questions may be beyond the scope of the brand manager, but they should certainly be considered by the marketing manager in developing a long-range (three- to five-year) plan.

Organizational design. How are resources, responsibility, and authority organized to achieve objectives within policy constraints? Who is the chief marketing executive, and what are his or her functions? Is a brand manager system used?

Source: Marketing Management
- G. David Hughes

Situation analysis. What are the unmet needs in the marketplace? Who will sell how much of what to whom, when, where, and how? These questions must be refined to include questions of generic demand, brand demand, competition, and public policy.

Generic Demand. How do general economic conditions affect the sales of this industry? What are the income and price elasticities of this product category? Are industry sales growing or declining? Are there time-series patterns, such as a trend, cycle, seasonal, or fad? Is the product in the introductory, growth, stable, or declining stage of its product life cycle? What are the characteristics of the buyers that will permit us to form market segments of heavy, medium, and light users? (Characteristics commonly used to segment the market include age, education, marital status, income, geographic location, life-style, and attitudes.)

Brand Demand. What are the strengths and weaknesses of our brand? Is our market share growing, static, or declining? What percentage of the potential buyers are aware of the benefits of our brand? What percentage of the market has tried our brand? What is the repurchase rate? What is our distribution rate? (That is, what percentage of the desired stores stocks our product?) How do consumers perceive the benefits of our product relative to those of a competitive brand?

Competition. What does it take to be a success in this industry? Is the market structure competitive or oligopolistic? Is there a surplus of productive capacity in the industry? Is entry easy? What are competitors' marketing strategies? How will competitors react to changes in our strategies?

Public Policy. How do antitrust regulations, regulatory agencies, the consumer-protection movement, and environmental concerns influence our opportunities and constrain our alternative strategies?

Opportunities and problems. What opportunities and problems does the situation analysis reveal? What are the subproblems that create the problem? How much control does the planner have over these factors?

Strategic Critical Questions Strategic critical questions focus on an *evaluation* of the past strategy and new alternative strategies. Are we meeting the financial and marketing goals? Are the generic and brand demand strategies still the best? Are we missing opportunities because our present problems (or successes) are preventing us from searching for new opportunities? Some of these questions need to be asked in more detail.

Goals. Are the financial goals profit, return on investment, payback period, or some other financial criterion? Is marketing performance judged by sales, market share, or profits?

Marketing-mix strategies. What is the best positioning of our brand among competitive brands? What price should we use to attain our goals? What is the role of the sales force in the overall communication strategy? What is the role of advertising? What is the message? How do we express it? Where do we say it? What roles will the channel of distribution (wholesalers, retailers, etc.) perform, and how will they be compensated?

Brand action plan (tactics). How do we implement the strategies? How do we re train, and motivate the sales force? How do we create effective copy and artwork will communicate the strategic message? What media do we use television, r magazines, newspapers, direct mail, or what? How do we motivate the chann distribution?

Profit plan. What are the current brand sales, cost of goods sold, marketing expe and contribution to profit? How will the proposed strategies affect these costs profits? What is the break-even volume (price) under the proposal?

Evaluation and control. How will we measure the effectiveness of the mark strategies and their execution? Will the new plan require the development of new sys for evaluation and control?

These questions do not exhaust the questions that a planner may ask. We wi additional questions in later chapters.

AN APPLICATION OF THE WORKSHEET APPROACH Figure 2.1 provides an overview o marketing planning process. To illustrate the process, we will examine a marketing case. A marketing case is a brief synopsis of a marketing situation case situation below is simplified by the fact that because the product is new, there ar historical brand data.

To help you identify the facts, take notes on a case by underlining key facts, no in the left-hand margin the appropriate classification for the Environmental Ana Worksheet and in the right-hand margin for the Strategy Worksheet. These facts be transferred easily to the appropriate worksheet.

The 1971 Marketing Plan for the Introduction of Scoop Ice Cream Mix[4]

ENVIRONMENTAL ANALYSIS WORKSHEET		STRATEGY WORKSHEET
	Consolidated Groceries planned to introduce *Scoop Ice Cream Mix* nationally. This was its first entry into the dairy category. The mix is composed of milk, sugar, butterfats, salt, stabilizing gums, and fresh eggs, all of which are mixed and freeze dried into nuggets. These nuggets are encased in an egg-shaped gelatin capsule with a thin candy shell for protection and stability. A pint of ice cream is prepared by beating a capsule in a bowl with four ounces of cream, milk, or water, depending on the desired richness.	Product
Generic demand: Sales trend	In 30 minutes it freezes into an ice cream, or it can be chilled and served as a *pudding*. The mix comes in chocolate and vanilla, but the consumer can add flavors when mixing, especially if a flavored *milk shake* is desired.	Other product uses and potent competitors
Total market Seasonal	Ice cream is an old product, with only *1.5 percent increase per year* in gallons consumed. In 1970 *approximately 0.778 billion gallons* were consumed, 60 percent of which was consumed from *May to September*. Housewives are the prime	

Age profile of heavy consumers
Trend
Geographic segments
Price segments
Price trends

purchasers, but children from *7 to 12 years old consume 50 percent*, and those from *13 to 18 consume 30 percent* of the annual gallonage. Per capita consumption has remained approximately *constant for a decade at 15 quarts*. Research data showed that the highest proportion of users was in the *North Central region (80 percent in 1970)*; the lowest, in the *Southeast (58 percent)*. Ice cream is consumed in all socioeconomic groups. In 1970, *20 percent of the gallonage was premium priced ($2.03/gallon), 54 percent was medium priced ($1.56), and 26 percent was low priced ($1.12)*. In recent years the *premium-priced ice creams have lost share, and low-priced ones have gained share.*

Traditional ice cream channels

Supermarkets sold 63 percent of all ice cream, *ice cream stores sold 18 percent*, and *drug stores sold 8 percent*. Supermarkets may carry *three to five ice cream brands*. Ice cream is not generally part of the dairy department, but is frequently sold in a separate ice cream department.

Product package
Trade price
Suggested retail price

Scoop comes in a *plastic half-gallon container* that can be used to freeze the ice cream. Eight capsules are packaged in each container. A case of 12 containers sells to the *retailer for $10.00*. The suggested *retail price is $1.00 per container.*

Profit plan.
Costs
Brand unit sales estimate
Unit sales

For 1971, costs as a percentage of factory sales were estimated as follows: fixed costs, 38 percent; variable costs, 12 percent; media/production costs, 15 percent; sampling/couponing, 4 percent; trade allowances, 4 percent; other promotion, 2 percent; sales force, 6 percent; distribution costs, 4 percent; and administration and market research, 2 percent. Sales are forecasted at *2.4 million cases.*

Competition
Oligopolistic market structure

The ice cream industry tends to be regional, because of the cost of shipping refrigerated products. Of the 750 small regional companies, *15 account for 65 percent of the total ice cream production.*

Organizational design

The Scoop *product manager* is required to present an annual marketing plan to the *group product manager*. Consolidated Groceries uses a standardized format containing the following items: (1) brand's current performance, (2) recommendations, (3) effect of the recommendation on income, (4) situation analysis, (5) opportunities and problems, (6) strategies, and (7) tests and research.

The Scoop 1971 Environmental Analysis Worksheet. The environment in which Scoop is being considered appears in Table 2.2. The "Facts" column is completed by transferring the notes in the left-hand margin of the case description. The assumptions are reasonable ones and are made where needed to continue the analysis. These assumptions could be replaced easily in the real world by making a few phone calls.

The "Conclusions" column summarizes appropriate calculations and the logical thoughts that follow from the facts and assumptions. By reading down this column, the planner can easily summarize the marketing opportunities and problems that require *changes* in the marketing strategy. (In the Scoop case there is no present strategy, so a completely new strategy must be developed.)

TABLE 2.2 1971 Scoop Ice Cream Mix Environmental Analysis Worksheet

Environmental elements	*1970 Current facts*	*Assumptions/ research needed*	*Conclusions*
Consolidated Groceries' values, objectives, and policies	Little is known	Assumed that the goal is profit; the policy, quality food.	The strategies must generate profits, and quality cannot be compromised.
Organizational design	Product-manager system		The marketing plan is the authority for the allocation of all marketing effort.
Situation analysis			
Generic demand	0.778 billion gallons		Average price = 0.20($2.03) + 0.54($1.56) + 0.26($1.12) = $1.54. Market in dollars = $1.54 × 0.778 = $1198 million
Time patterns	1.5% growth/year	Assumed that this trend will continue.	Scoop must take sales from existing products.
	60% of season from May to September		Summer promotion must be heavy.
	Trend toward low-priced ice creams		This trend will help Scoop's introduction and growth.
	Consumption rate constant at 15 qts/person/year		It is unlikely that Scoop can alter this rate.
Consumer profiles	Heavy users ages 7 to 18, all incomes, North Central (80%).		Introduce Scoop to the youth market in the North Central states.
	Light users in the Southeast (58%).	Research is needed to determine why low usage in Southeast.	Perhaps Scoop can increase usage in this segment.
Brand demand			
Scoop (millions)	2.4 cases, $24.0 forecasted for 1971		Sales at retail = Scoop sales × markup = $24 × 1.20 = $28.8.
Scoop market			
Share in dollars		Assume 12 gallons of ice cream case	$28.8 $1198 = 2.4% share of dollars
in cases			2.4 (0.79 12) = 3.6% share of cases
Determinants of share			
Brand position	Low-cost ice cream		Good positioning given price trends
Awareness	Unknown		Heavy advertising will be required
Trial rate	Zero, new product		Promotion required to stimulate trial
Repurchase rate	Zero, new product		Perceived product benefits determine

Distribution rate	None at present, but Consolidated knows the industry.		Promotion to the trade will be necessary, however, due to limited shelf space.
Competitive national advertising		Assumed low because competitors are regional.	Little competition at the national level.
Competition			
Market structure	15 of 750 regional firms sell 65% of ice cream.		2% of firms have 65% of market, an oligopoly. This is important when competitive reaction is important, e.g., price wars.
Industry success factors		Quality product that tastes good and channel support.	Product and channel development are vital to Scoop's success.
Industry capacity		Capacity adequate given slow growth. Entry is easy.	No price wars due to excess capacities.
Public policy			
Antitrust			Scoop will add to competition; therefore, antitrust laws are not violated.
Regulatory agencies	Scoop must comply with standards of the Food and Drug Administration (FDA)		No problem, because of our high standards for quality.
Consumerism	Federal Trade Commission (FTC) requires proof of advertising claims.		Make certain that copy claims can be proved.
Environment	Energy saved because mix does not require refrigeration, and container is reusable.		Use these themes in copy to wholesalers, retailers, and youth market.

Opportunities (1) There is an opportunity for a quality ice cream at a low price. (2) The do-it-yourself trend should support the concept of an ice cream mix. (3) Scoop is positioned well as an ice cream because of the trend toward lower-priced ice creams. (4) Its positioning as a pudding or a milk shake mix is unknown, but gives us added uses. (5) Given the market structure and the lack of a national competitor, the market shares needed seem attainable. (6) The channel will be pleased by the compactness of the product and the fact that it does not require refrigeration, but it may decrease the sales of ice creams on which the channel makes a higher profit because of the higher price. (7) The product and Consolidated policies are consistent with public policies, especially the environmental features of the product.

Problems (1) Successful introduction of Scoop will require sufficient advertising to create awareness and overcome the resistance to the work required in preparing Scoop. (2) A high distribution rate is required, because this is a convenience product. (3) Promotion to the trade must convince retailers that the addition of Scoop will increase their profits, not just shift them from the three to five brands of ice cream that they are presently carrying. (4) Consumer trial rate must increase rapidly to establish brand loyalty before competition enters. (5) We must balance the need for heavy advertising and promotion (e.g., sampling) against the corporate goal of attaining a profit. (6) Scoop must take most of its sales from competition, because per capita consumption is constant and generic demand has increased at a low 1.5% per year. (7) To achieve the goal of 2.4 million cases, Scoop must attain a market share of 2.4% in dollars and 3.6% in cases. (Scoop must sell more cases because of its lower price.)

Success-Factor Weights. The planner's next task is to list the problems in the orde their importance to the success of the Scoop introduction. The term "problems" see inappropriate, because this is a new product and problems have not yet develop Therefore, instead of "problems" we will use the phrase "factors for successful introd tion." One possible weighting of these success factors is shown in Table 2.3. The prio index indicates that the 1971 strategy should focus on creating awareness of Scoo benefits and achieving a high level of distribution rates.

The success-factor weights may vary at different stages in a product's life cycle Th later marketing plans must reflect changes in the importance of these success variabl The weights shown in the table reflect the planner's opinion that successful introducti depends on a high distribution rate in stores. Creating awareness of benefits was giv the lowest weight because the analyst considered price the major benefit, which could communicated very easily. Awareness is the most fully controlled variable becau Scoop may advertise directly to the consumer through mass media. Distribution rate in contrast, require the cooperation of the retailers. Scoop must convince them to u their scarce shelf space for the new product. This may mean removing an existi product from the shelf. In Chapter 11 we will see how the rankings of the succe factors help to determine the selection of alternative strategies.

TABLE 2.3 **A possible weighting of success factors**

Success factors	*Present relative contribution to success*	*Present relative control over factor*	*Priority index*	*Rank*
	(1)	(2)	(1) × (2) = (3)	
1. Create buyer awareness of Scoop's benefits	.20	.90	.18	1
2. Increase trial rate	.25	.40	.10	3
3. Increase repeat-purchase rate	.25	.30	.08	4
4. Achieve high distribution rates	.30	.50	.15	2

The Scoop 1971 Strategy Worksheet. The Scoop Strategy Worksheet for 1971 appea in Table 2.4. Because Scoop is a new product, there is no column for current strateg The problems that the strategy should solve are ranked at the top of the worksheet. Th ranking of these problems is reflected in the profit plan. Awareness is ranked fir Media expenditures, designed primarily to create awareness, are budgeted at 15 perce of sales, the largest single item. Distribution is ranked second. The budget for develo ing channels of distribution totals 14 percent of sales (trade allowance, 4 percent; sal force costs, 6 percent; and distribution costs, 4 percent). Sampling and couponing, costi 4 percent of sales, will get buyers to try Scoop and, we hope, hasten the time when the will repurchase it. Thus after estimating the costs for the 1971 strategy, it appears tha they are consistent with the ranking of the problems for 1971.

Note that there are few facts from the case in the Strategy Worksheet. Once th analysis has established the priority of problems, the planner must then use his or he experience and creativity to develop a strategy. Opportunities for you to practice th inductive process will occur in later chapters.

TABLE 2.4 Scoop 1971 Strategy Worksheet

Rank order of problems:

1. Create buyer awareness of Scoop's benefits.
2. Achieve high distribution rates.
3. Increase trial rate.
4. Increase repeat purchase rate.

Decision areas	*Recommended strategy*	*Estimated effect on profit plan*
Demand strategy		
Generic	Accept the static state of the market. Do not attempt to increase per capita consumption or switch nonusers.	Generic demand will increase at the present rate of 1.5%/year, and per capita consumption will remain at 15 qts/person.
Brand	Position Scoop as an economical, quality ice cream that uses a new process—freeze dry—to avoid refrigerated storage.	This positioning should achieve the goal of 2.4 million cases, with the minimum of reaction from traditional ice cream brands.
Strategic goals		
Financial	Be profitable the first year because of the expected high cost of capital in 1971.	The profit plan will show a profit for 1971.
Marketing	Attain a 2.4% unit share (in $) of the standard ice cream market.	This goal is reasonable, given the market structure and a good strategy.
Marketing-mix strategies		
Product	The product consists of freeze-dry nuggets that can be mixed easily into an ice cream. Available flavors are vanilla and chocolate. The mix will also produce a pudding or a milk shake.	An ice cream mix could be promoted successfully. The concept becomes too complicated by the pudding and milk shake uses. Save these concepts for later promotions.
Package	A plastic half-gallon container can be used to freeze the ice cream and later as a refrigerator container.	This container will appeal to the price-conscious and the environmentalists.
Price	Retail at $1.00/gallon, sell to the retail trade at $0.8333. Be prepared to drop if necessary to protect share.	The retail price should be attractive to the buyers presently spending $1.12. Retailers will get 16⅔% margin on the retail price.
Channels	Distribute primarily through supermarkets, where we have experience. Offer deals of 60¢/case for display allowances in May-June and July-August.	Our reputation will help gain distribution, but we must compete for shelf space. This will increase the retailer's margin and improve our distribution rate.
Advertising Promotion	Use sampling and coupons to get trial and repeat use.	In 1971 we should attain a trial rate of 30% of those aware and a 20% repeat rate.

TABLE 2.4 (cont.)

Rank order of problems:

1. Create buyer awareness of Scoop's benefits.
2. Achieve high distribution rates.
3. Increase trial rate.
4. Increase repeat purchase rate.

Decision areas	*Recommended strategy*	*Estimated effect on profit plan*
Advertising copy	"Make it at home and save money."	Attain a 60% recall of Scoop's quality and price.
Advertising media		
Target audience	Mothers and children ages 7-18 living in the North Central region.	Attain a 60% recall of Scoop's quality and price.
Media and weight	Heavy in TV for coverage, frequency and visualization of ease of preparation. Use some print during summer.	Attain a 60% recall of Scoop's quality and price.
Continuity	Network daytime TV yearround, with early nighttime spots in May to September.	Attain a 60% recall of Scoop's quality and price.
Personal selling	Convince retailers to give Scoop good shelf positioning. Check stock levels.	Our experienced sales force can accomplish this.
Research	Do focus-group interviews in the Southeast to determine why ice cream usage is low.	This should reveal the major reasons at a cost of approximately $12,000.

Profit plan	1971	
Industry sales (millions)		
$ value	$1.217	
Cases	65.8	
% increase over last year	1.5%	
Brand sales, at mfg. prices (millions)		
$ Value	$ 24.0	100.0%
Cases	2.4	
% Increase (units)	100%	
Cost of goods		
Fixed Costs	$ 9.12	38%
Variable Costs	2.88	12%
Total costs of goods	12.00	50%
Gross margin	$12.00	50%
Marketing expenses		
Advertising		
Media/production	$ 3.60	15%
Sampling/couponing	0.96	4%
Trade allowance	0.96	4%
Other promotions	0.48	2%
Total advertising expenses	$ 6.00	25%

TABLE 2.4. (cont.)

Rank order of problems:

1. Create buyer awareness of Scoop's benefits.
2. Achieve high distribution rates.
3. Increase trial rate.
4. Increase repeat purchase rate.

Decision areas	*Recommended strategy*		*Estimated effect on profit plan*
Sales force	$ 1.44	6%	
Distribution	0.96	4%	
Administration	0.48	2%	
Total expenses	$ 8.88	37%	
Contribution to profit and overhead	$ 3.12	13%	
Break-even points			
Fixed cost coverage	1.55 million cases		[$9.12 million/$10 – $4.10*) = 1.55M]
To make a profit of 10% of sales	1.95 million cases		[$9.12M + 0.1 ($24M)/($10 – $4.10*) = 1.95M]
Evaluation and control			
Product tests	In 1972 do blind product tests to see if 1971 users of Scoop evaluate its benefits favorably.		
Price studies	During 1971 monitor Nielsen Retail Index or SAMI† for competitors' price changes.		Estimated cost, $25,000
Channel	During 1971 monitor Nielsen Retail Index or SAMI to determine distribution rate.		
Advertising	During 1971 measure recall of Scoop's quality and price among target audience.		Estimated cost, $15,000

* Variable costs included all marketing costs except sales force (6%) and administration (2%), which are part of overhead in this case.

† The Nielsen Retail Index provides data on products sold through retail outlets. SAMI (Selling Areas-Marketing, Inc.) reports warehouse withdrawals to food stores.

Once the marketing-mix strategies have been established, they must be translated into plans of action (i.e., tactical plans). Advertising and personal selling provide an example. Specific advertising media must be selected. If we are using television, should we use network TV or spots? Which networks should we use? Which newspapers and magazines should we use? Many of these decisions will be made by Scoop's advertising agency.

The details of the sales management action plan would include an estimate of the capacity of the sales force to handle the assigned strategy. If the sales force is inadequate, expansion of the sales force will require expenditures for recruiting and training salespeople.

Break-Even Analysis. Most of the details of the Strategy Worksheet are self-explanatory, with the exception of the break-even calculations. Break-even, in units, represents the number of units that must be sold to make a zero profit, that is, to break even. This figure is calculated by dividing the fixed costs by the profit margin per unit. The profit margin is the selling price minus the variable costs.

Fixed costs are those that do not vary in *total* as additional units of the product are sold. The president's salary and the cost of the selling space are costs that are fixed in total, for example. As more units are sold, the cost *per unit* declines, but the total remains the same. Variable costs, by contrast, fluctuate in total according to the number of units sold, but they will be *constant per unit*. As more units are sold, the total costs will increase. Because these costs *vary* with the volume sold, they are known as *variable costs*. Salespersons' commissions and the cost of receiving merchandise are variable costs.

The break-even model, therefore, is as follows:

$$\text{Break-even quantity in units} = \frac{\text{Fixed costs}}{\text{Selling price} - \text{variable costs}} \qquad (2.1)$$

To compute the break-even point for a desired profit, the amount of profit is treated as a fixed cost and added to the numerator of the equation. This break-even calculation is a quick and easy way to estimate the number of units that must be sold to cover the fixed costs, i.e., to "break even." Its simplicity, however, is deceptive. There are difficulties in forecasting price and costs, and the formula does not consider economies of scale.

Returning to Fig. 2.1, we see that the two worksheets can be translated easily into any planning format required by management. To illustrate the Scoop marketing plan for 1971, we will follow the requirements of Consolidated Groceries, which is very similar to the outline in Fig. 2.1.

The 1971 Scoop marketing plan. The key point in the 1971 Scoop marketing plan, which appears in Table 2.5, is that it *communicates* very efficiently. All of the key information is summarized in sections I-III. The remaining sections support the first three, presenting data in a logical order, going from the situation analysis to the strategies, and ending with specifying the research needed. By using a uniform format, Consolidated can easily compare the performance of Scoop with the other brands it sells.

You may be surprised to have learned that a short case, such as the Scoop case, requires extensive work to generate a good marketing plan.

MARKETING-PLANNING SKILLS Planning in marketing requires four distinctly different skills—analysis, synthesis, creation, and communication. *Analysis* is required to examine the brand's environment. This step in the planning process involves working with numbers and translating them into logical conclusions. *Synthesis* is the ability to see interrelationships among these conclusions. The output of synthesis is a clear definition of the main problem and the subproblems. In the case of an untapped opportunity, the synthesis will yield a clear statement of the opportunity (e.g., a new product) and the factors required to make it a success. The Environmental Analysis Worksheet requires skills in analysis and synthesis.

The development of alternative strategies is a very *creative* process and, like all creative processes, is a skill that must be developed. Problems and cases in later chapters are designed to encourage the development of creative skills.

Once the brand marketing plan is developed, the brand manager must "sell" it to

TABLE 2.5 Scoop Ice Cream Mix[5] 1971 marketing plan

I. BRAND'S CURRENT PERFORMANCE

Scoop Ice Cream Mix is expected to achieve its initial target objectives this year of 2.4 million cases, representing $24.0 million in sales and $3.12 million in net profits.

II. RECOMMENDATIONS

The 1971 objective of Scoop Ice Cream Mix is to obtain a 2.4% share of the retail ice cream market in dollars and a 3.6% share in cases. This represents shipments of 2.4 million cases and factory sales of $24.0 million. To achieve this objective, the brand will spend $3.6 million in advertising and $2.4 million in promotion.

III. EFFECT OF THE RECOMMENDATION ON INCOME

	Proposed 1971 (millions)
Volume	
value	$24.0
cases	2.4
Share (in $)	2.4%
Cost of goods	$12.0 (50%)
Advertising/promotion	6.0 (25%)
Other costs	2.88 (12%)
Pretax profits	3.12 (13%)

IV. SITUATION ANALYSIS

A. The market

1. *Size.* The total retail value of the ice cream market is approximately $1.2 billion, representing an estimated consumption rate this year of 0.79 billion gallons. The market traditionally increases at an annual rate of about 1.5%.
   Competition consists of about 750 small regional companies, of which 15 account for about 65% of total ice cream production. No one has a dominant position in the market nationally.
2. *Consumer.* Though the housewife is the prime purchaser of ice cream, the prime consumer is the 7–12-year-old (accounting for 50% of consumption) and the 13–18-year-old (accounting for 30% of consumption). Consumption is universal among all socioeconomic groups, with consumption among large households greater than among small households. The appeal of this product category is strongest in the North Central region of the United States and weakest in the South.
3. *Pricing.* The price for a gallon of ice cream can vary significantly, depending on its quality. Average prices are as follows:

		1970 Retail price/gallon
Premium-price brands	(20%)	$2.03
Medium-price brands	(54%)	1.56
Low-price brands	(26%)	1.12
Scoop		1.00

4. *Seasonality.* Ice cream is consumed throughout the year, with the May–September period alone accounting for 60% of all consumption.

B. Scoop Ice Cream Mix

1. *The product.* Scoop is a freeze-dried mix, made up in chocolate and vanilla flavors, which requires no refrigeration until it is prepared for serving.
2. *Manufacturing.* Production confirms that plant capacity is adequate to meet next year's sales objectives.

TABLE 2.5 (cont.)

V. OPPORTUNITIES AND PROBLEMS

A. Opportunities—Success is anticipated for the following major reasons:
   1. A trend toward lower-priced ice creams
   2. A trend toward do-it-yourself activities
   3. A superior-tasting product
   4. The brand's dominant advertising expenditures in the market
   5. Trade preference for smaller shelf space and no refrigeration

B. Problems, in rank order, include:
   1. Creating awareness of Scoop's benefits
   2. Achieving high distribution rates
   3. Increasing trial rates
   4. Increasing repurchase rates

VI. STRATEGIES

A. Marketing

The objective of the Scoop strategy is to achieve a 2.4% share of the regular ice cream market in dollars and 3.6% in cases. To achieve this objective, the brand's basic marketing strategy is to:

1. Position Scoop as a high-quality ice cream that children prefer, but that costs less than regular ice cream.
2. Continue spending in advertising and promotion at an A to S ratio of 25% to build distribution and trial and to preempt consumer awareness of the product category in terms of Scoop's superior quality.
3. Spend more heavily during the warmer months of the year to capture new users during this period.
4. Maintain a generally higher trade margin and lower retail price than competition in order to capitalize on Scoop's low-cost production process, which refrigerated products cannot match without sacrificing quality.

B. Copy

The objective of Scoop's advertising is to convince mothers of children (ages 7–18) that their families will prefer the taste of Scoop over ready-made ice creams and that it costs less. To achieve this, advertising will:

1. Employ the copy theme, "Make it at home and save money."
2. Emphasize the superior, "home-made" taste of Scoop due to its exclusive freeze-drying process.
3. Attain the high recall demonstration of Scoop's lower retail price versus store-bought ice cream.

C. Media

Scoop's media objective is to reach mothers of young children as often as practical and to provide added frequency during the summer season.

Television will continue to be the brand's medium because it:

1. Delivers efficient messages with broad coverage and good frequency.
2. Provides the best cumulative line frequency against the primary market, i.e., women with children under 18.
3. Permits a high degree of appetite appeal and visualization of the enjoyment of good eating, combined with Scoop's unique demonstrations on product preparation and price relationships.

TABLE 2.5 (cont.)

Network daytime television will be used to deliver year-round reach and frequency at maximum efficiency. Early nighttime TV spots will be used in the summer months to reach a family audience during the high-consumption season. Print media will also be used during the summer months to support the brand's two national consumer promotions scheduled for that period.

D. Promotion

Scoop's promotion objective is to obtain the leader's share of trade merchandising, i.e., in-store displays and advertising features, especially during the high-consumption season. To achieve this, the brand's strategy is to:

1. Maintain trade margins generally above that of regular ice cream brands by responding instantly with case allowances to match that of competition.
2. Offer two display allowances averaging 60¢/case during the periods of May–June and July–August.

VII. TESTS/RESEARCH

	Estimated costs
Focus-group interviews to identify the causes of low consumption in the Southeast.	$12,000
Nielsen retail index to monitor competitive prices and our distribution rates.	25,000
Two consumer telephone surveys to measure recall of Scoop's quality and price and trial rate.	15,000
Total research	$52,000

those superiors who must approve it and those peers and subordinates who will implement it. This selling requires oral and written *communication* skills. These are particularly important skills for the brand manager, who has no line authority over production, advertising, selling, and other departments which will implement the plan. The brand manager has only his or her ability to communicate persuasively. This need to be able to communicate effectively was already noted in the discussion of the skills required of brand managers in the pharmaceutical industry (Chapter 1). This point will be expanded in Chapter 5 when we discuss the brand-management system.

Creative and communication skills are required to complete the Strategy Worksheet and to write the marketing plan. Few individuals excel in all four skills. Cognitive styles and previous training tend to make an individual favor either analysis and synthesis or creation and communication. The individual who has all of these skills is rewarded well.

THE SURGING INTEREST IN STRATEGIC PLANNING During the mid-1970s many companies, such as General Electric, duPont, IBM, Shell, and N.·V. Philips Electronics, started or increased their efforts in corporate strategic planning.[6] This sudden interest in corporate strategic planning can be traced to the great increase in the uncertainty and complexity of the social, political, economic, technical, and competitive environments which these firms found themselves in during this period.[7] Longer lead times in implementing plans were required by this uncertainty and by shortages in resources and capital. "Planning is a watchdog of lead time."[8] A firm must pay for failing to take sufficient lead time by the increased cost for expediting a project or it

must miss an opportunity altogether.[9] While the required lead times increased, the increased competition from domestic and foreign sources decreased the product life cycle of new products, which made timing even more important.

This surge of interest in planning can blind us to some shortcomings in the planning process. Planning takes considerable resources, especially the time of leading executives. It can become an end in itself and an excuse for not taking action. In 1977, for example, Wall Street analysts concluded that Heublein paid too much attention to marketing and strategic long-range planning "and not enough time to running the store" of its subsidiary, Kentucky Fried Chicken.[10] The result was reduced store traffic and lower profits. The long-range planner, therefore, must not forget that a plan is useless if the firm goes bankrupt in the short run.

SUMMARY The Environmental Analysis Worksheet helps the marketing manager to ask the critical questions, collect relevant data, draw logical conclusions, and then identify problems, subproblems, opportunities, and success factors. A ranking of the subproblems (or success factors in the case of a new opportunity) is the starting point for developing a marketing strategy. A brand manager may critique his or her own analysis by reading down the columns and across the rows, looking for common errors in analysis.

The ranking of subproblems or success factors is facilitated by the computation of a priority index. This index requires estimates of the relative contribution and control of each subproblem or success factor.

The Strategy Worksheet displays on one page marketing goals, present strategies, the proposed strategy, and the effect of the proposal on the profit plan. This full display on one page permits random visualization that will reveal new relationships and new creative alternatives.

Marketing planning requires skills in the analysis and synthesis of facts and in creating and communicating strategies. Individuals who have all of these skills are rare, so they are rewarded well.

DISCUSSION QUESTIONS

1. Why is it important to ask critical questions? What are some additional critical questions that you think should be asked during the analysis of generic demand, brand demand, competition, and public policy?
2. What are some advantages and disadvantages in calculating the priority index for subproblems and success factors?
3. Criticize the worksheets and marketing plan for Scoop Ice Cream. Are the assumptions reasonable? Are there implicit assumptions that need to be made explicit? What *alternative* strategies would you consider?
4. The worksheet approach was applied to a consumer good in this chapter. Do you think it could be applied to an industrial product? Could it be applied to an industrial service organization, such as a consulting firm? If no, why not? If yes, would any changes be necessary?
5. What is the difference between subproblems and success factors?
6. The planning outlines for R. J. Reynolds and Celanese Corporation are shown in Tables 2.6 and 2.7. The R. J. Reynolds Co. uses its outline for its tobacco products. Celanese manufactures chemicals. Compare and contrast the two outlines. What are the differences in the industries of the two firms that require a difference in the emphasis in the plan?

TABLE 2.6 **Outline of an annual brand marketing plan for RJR (formerly the R. J. Reynolds Tobacco Company)***

I. STATEMENT OF BUSINESS
   - A. Brief summary of brand's performance during current year
   - B. Share trend of brand
   - C. Volume trend of brand

II. FINANCIAL SUMMARY
   - A. Brief summary of brand's current financial picture – current year versus next year
   - B. Brand's P&L for current year and next year
   - C. Brand's P&L for latest five-year period

III. MARKETING PLAN
   - A. Statement of brand's marketing objective
   - B. Statement of brand's marketing strategy—how the marketing objective will be achieved
   - C. Marketing rationale—supporting points for marketing strategy

IV. ADVERTISING PLAN
   - A. Statement of brand's advertising copy objective
   - B. Statement of brand's advertising copy strategy
   - C. Advertising rationale—support for strategy

V. MEDIA PLAN
   - A. Objective
   - B. Strategy
   - C. Rationale
   - D. Request for funds and itemized budget

VI. SALES PROMOTION PLAN
   - A. Objectives
   - B. Strategy
   - C. Rationale
   - D. Request for funds and itemized budget

VII. BACK-UP MATERIAL

(Supporting data for foregoing section)

* D. S. Hopkins, *The Short-Term Marketing Plan*, Conference Board Report No. 565 (New York: Conference Board, 1972). Reynolds, p. 26. Used with permission.

TABLE 2.7 **Celanese general outline for developing the marketing plan***

I. INFORMATION BASE
   - A. Economic indicators (e.g., GNP, FRB)—five- to ten-year trends and projections
     - 1. Significance to this industry
   - B. Major industry, market, and competitive trends and characteristics, including:
     - 1. Total industry potential (domestic, government, export)—five-year historical record
       - a) Identification of major end-use markets and their individual characteristics (growing, static, or declining; seasonal or cyclical) – five-year history of volume for each major end use
       - b) Consuming locations

TABLE 2.7 (cont.)

---

2. Characteristics of current and expected producers
    a) Comparison of captive or integrated versus noncaptive markets
    b) Past and expected future performance (i.e., capacity versus utilization)
    c) Share of market for each competitor
    d) Producing locations
    e) Magnitude and importance of foreign competition
3. Special requirements of the market (e.g., quality, package, service)
4. Trends in marketing practices for the product
    a) Direct versus distributor sales
    b) Commodity versus brand or trade name
    c) Use of advertising and merchandising
5. Pricing and price stability—five-year history
6. Competition from unlike materials (e.g., metal versus plastic)
7. Trends in cost, sales, and margin relationships

C. Company's current and relative marketing position for this or similar products
1. Past performance versus plan
2. Past share of market
3. Capacity versus past sales
4. Sales by end use
5. Sales by profit classification; comparison to other segments of the product line

D. What it takes to succeed in this industry with this product

E. Company marketing strengths and weaknesses—product line, distribution, operational, support functions (i.e., technical service, merchandising)

II. BASIC ASSUMPTIONS

A. Five-year industry forecast—estimated growth of total market, segments, major end uses or product types

B. Five-year price predictions—anticipated changes in price levels and probable impact on product sales

C. Expected changes in the composition of the competitive structure of the market

D. Probability of significant technical innovations

E. Conclusions—an analysis of how these external assumptions will affect the product line

III. STATEMENT OF STRATEGY (long and short term)

A. Distribution techniques

B. Pricing

C. Profitability

D. End-use emphasis

E. Share of market

IV. MARKETING OBJECTIVES

A. Basic objectives—volume, price, profit, share of market—for five following years (including the planning year, by month)

B. Subgoals—those goals which, when attained, are a step toward achieving the marketing objective

V. PROGRAMS

A. Programs (the specific action steps necessary to accomplish the marketing objective) may include sales, advertising, merchandising, product development, or support by other departments, such as manufacturing or technical

B. Each part of a program needs approximate completion dates, the assignment of definite responsibility, and an indication of costs

TABLE 2.7 (cont.)

VI. FINANCIAL SUMMARY

A. The total costs of marketing, administration, support, and improvement programs to achieve subgoals and objectives

VII. MEASUREMENT OF PERFORMANCE

A. A method to evaluate progress toward objectives, with a time schedule, is required

* *The Development of Marketing Objectives and Plans, A Symposium*, Experiences in Marketing Management, No. 3 (New York: Conference Board, 1963), p. 22. Reprinted by permission.

NOTES

1. C. E. Smith, "The Content and Process of Strategy." Paper delivered at a conference on corporate strategic planning, sponsored jointly by the Institute of Management Science and the Operations Research Society of America, New Orleans, February 28 to March 2, 1977.
2. D. S. Hopkins, *The Short-Term Marketing Plan*, Conference Board Report No. 565 (New York: Conference Board, 1972).
3. These worksheets are similar to the balance sheets and income statements in accounting. These basic documents give an overview of the accounting process, and parts are expanded to illustrate accounting concepts.
4. This case is abstracted from the "Scoop Ice Cream Mix" case, which was developed for the Association of National Advertisers (ANA) by Booz, Allen and Hamilton, Inc., for use in ANA Seminars on Creative Advertising. The case material is copyrighted by the ANA and appears in its publication, *Effective Marketing Management*, by F. Beaven Ennis, copyrighted 1973. Permission to abstract the case and use parts of the marketing plan in the above text has been granted by Mr. Herbert A. Ahlgren, Vice President of ANA. This permission is gratefully acknowledged. Some data have been modified to emphasize particular points of marketing. Therefore, the solutions discussed later in this text will differ from those in the ANA text.
5. *Ibid.*
6. Statements made by the corporate strategic planners of these companies at the Corporate Strategic Planning Conference cited in note 1.
7. M. van Beusekom, Director of Corporate Strategic Planning, N. V. Philips Electronics, "Strategic Planning at Philips." (Paper delivered at the conference cited in note 1.)
8. *Ibid.*
9. *Ibid.*
10. J. J. O'Connor, "Kentucky Fried Chicken Bone in Heublein's Throat?" *Advertising Age*, March 7, 1977, p. 3.

SUGGESTED READINGS

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INDUSTRY-EDUCATION-LABOR COLLABORATION PROJECT

Report Summary

Industry, labor, and education institutions are entering a new period of enthusiasm for mutual cooperation and alliances within communities. The major policy questions regarding this enthusiasm have far less to do with options for federal government leadership and far more to do with the leadership capacities of local and state institutions representing non-governmental sectors. Government can encourage, but others must "do" collaboration.

Will these leaders produce more effective learning and employment opportunities for young people and adults because of the collaborative projects they initiate? Or will these recent enthusiasms dissipate as a result of frustrations, unforeseen complexities, and a lack of true collaborative commitment in the face of the very real problems confronting American education and the American economy? Will there arise in fact a new, sustained coalition to create private and public sector support for the purposes, methods and financing of American education at the elementary, secondary, and postsecondary levels? Will a new coalition devise appropriate private and public policies to tackle the education and training needs of youth and working adults?

Local collaborative councils bringing together leaders from business, labor, government, and education deserve special attention because they are demonstrating anew the community-level leadership that is essential to create and establish a new national consensus about the purposes and

functions of education institutions generally and public secondary schools most particularly. But, this study concludes, collaborative councils and industry-education-labor collaboration generally are still pioneer activities without well-established structures. Only as investments in human resources gain a stature equivalent to investments in technology will innovation in business-education-labor relations move from the periphery toward center stage of corporate, union, and education concerns.

Collaborative councils are but one among many linking mechanisms for industry-education-labor collaboration. The complexity of opportunities for relationships is described and analyzed in some detail in the first two chapters.

Chapters three through five address the specific characteristics, accomplishments, and limitations of locally initiated collaborative councils.

Chapter six discusses the structure of state government human resource agencies and the opportunities for linking state and local leadership and resources. The career development, youth transition, and human resource problems found in every community require mutually reinforcing action at both local and state levels.

Findings: The basic findings of this study are:

- Existing relationships between education institutions and the business sector in particular are multi-faceted with complex consequences for present efforts to improve those relationships. Existing relationships with the labor sector are also shaped by historical ambiguities, but are being built today from a very limited base of prior contacts. Private sector involvements on school boards and boards of trustees, as parents and alumni, as consultants and vendors, as taxpayers, and as "end users" of the "values added" by education institutions,

help shape the attitudes and methods used by employers and unions in building formal, collaborative relationships to specific schools and colleges.

- Despite this complexity, the attention of top leadership in the private sector has been infrequently focused on education and training issues.

- As education and career development become more widely recognized as critical factors determining the capacity of American society for economic growth and socio-political stability, the attention of business and labor leaders is being drawn to the need for greater collaboration with education institutions. Likewise, educators are discovering greater need to build a constituency supportive of education institutions.

- This attention appears to be focusing on the elementary and secondary schools as providers of foundation skills and attitudes. Postsecondary colleges, universities, and technical institutes are being recognized progressively as partners with employers--private and public--in providing education and training on a lifelong basis.

- Growing dependence of the private sector on the performance of education and training functions--whether "in house" or through education institutions--is leading to greater need for communication, understanding, program development, and accountability among the sectors. There is growing awareness that these needs must be achieved on a person-to-person, institution-to-institution basis starting at the community level.

- Gradually--and still only superficially in most locations--more frequent, more substantive interaction among the three sectors is leading toward new patterns of responsibility for education and training. Working from the ground up, more community leaders are becoming involved in basic policy questions affecting the delivery of education and training:

  -- Who receives education and training?
  -- Who provides education and training?
  -- Where are education and training provided?
  -- Who pays for education and training?
  -- Who benefits from education and training?

- A variety of formal and informal mechanisms to improve communications, understanding, programs, and accountability already exist and are being created at all jurisdictional levels.

- Being locally initiated, collaborative councils exhibit diverse purposes, membership, resources, activities, and quality. Councils may have very modest or very ambitious goals and resources. Their accomplishments may be modest or impressive in proportion to their intentions. Communication and self-initiated comparisons between councils have been few. Networking has increased in recent years. The growth in the numbers of local councils--from about 16 in 1969 to over 155 in 1981--has been stimulated by a combination of increased private and public sector interest and the availability of public sector funding. Relatively few councils with staff are supported primarily by private sector funds.

- The programmatic directions of local councils have been to focus their energies on activities that are generally described by the terms career education and career development. Less frequently, collaborative councils have also sought to address tasks related to improvements in vocational education and overall quality of public school administration. These activities most frequently are intended to improve the preparation of secondary school youth for their transitions from school to work. Other council activities involve teacher in-service training, adult learner projects, and non-school training. The motivations, commitments, and directions of collaborative councils are relatively new and rapidly evolving community by community, state by state. Their energies and relative sophistication and accomplishments are almost totally dependent on the quality of local leadership.

Recommendations: The 14 recommendations included in Chapter VII are organized in four sections:

- Recommended improvements in the collection and dissemination of information essential to the creation of effective programs of industry-education-labor collaboration nationwide

- Recommended improvements in the leadership of collaborative activities nationwide

- Recommended federal government actions encouraging industry-education-labor collaboration in states and communities

- Recommended state government actions encouraging collaboration

Among the principal recommendations (justified in more detail in the full text) are the following:

- As a supplement to the National Assessment of Educational Progress (NAEP), a periodic National Assessment of Employability Skills should be developed to identify trends in the skill levels required for entry and first echelon promotion in major occupational sectors.

- The federal government should collect on a periodic basis quantitative and qualitative data as rough but valid indicators of the scope of industry-education-labor relationships.

- A Clearinghouse on Industry-Education-Labor Collaboration should be established as a "neutral" source of information and assistance on collaborative practices.

- Major national philanthropic foundations, corporate foundations, and community-based foundations should show leadership in the creation of "good idea funds" at community and state levels.

- Top management, professional associations and employee unions associated with four key industries--banking, insurance, public utilities, and major national retailers--should be encouraged in their efforts to develop private sector leadership strategies for industry-education-labor collaboration.

- The agenda for national-level discussions of collaboration among business, labor, and education leaders should aim for concerted action on three priority areas: 1) basic skills (including computer literacy), 2) pre-employment training, and 3) concentrated skill training for occupations with critical labor shortages. These priorities are of equal importance to youth and adult learners and workers.

- Liaison between federal government education and training agencies, private sector employers and unions, and national education organizations should be institutionalized in three ways: 1) make liaison a formal staff function at the Secretariat and/or agency-head level; 2) establish periodic meetings of the agency/department head with groups of industry, labor, and education leaders; 3) strengthen business/industry and labor representation on mandated career and vocational education advisory councils.

- Governors, in collaboration with state-level education, industry/business, and labor leaders, should develop their own programs to improve the environment for effective industry-education-labor collaboration. Such programs should be based upon improvements in information, leadership, and state agency actions.

- States should initiate action research to review and correct unnecessarily restrictive or outmoded state regulations and laws limiting the types and duration of out-of-school learning experiences for in-school youth.

- State governments should give serious attention to the advantages of direct financial support of local collaborative councils within their states.

Table III-2

Frequency of Most Common Council Projects by 154 Councils*

In-service teacher workshops on career development topics	52
Career speakers in classrooms	45
Community resource clearinghouse and/or directory	36
Career days and career fairs	35
Coordination of school and non-school programs (especially school and local government youth training programs)	35
Job fair and/or job placement assistance for youths	34
Improving career counseling and information services	33
Site visits for students to employers	29
Improving vocational education programs	27
Shadowing programs for students at work site	22
Public relations on career-related topics	22
Establishing school-business partnerships and adopt-a-school programs	18
Site visits for teachers to employers	17
Needs assessments	17
Curriculum development	16
Economic education	16
Inventory community resources	15
Newsletter	14
Assisting special needs youth	14
Developing programs for adults	14

---

* Data were categorized by project staff based on descriptions of council projects submitted by local council staff. This table is approximate in its ranking because of incompleteness and only rough comparability of data. The rough proportions, however, are entirely consistent with all other evidence gathered by case studies and more informal inquiries.

more aggressive in defining community needs, designing projects, and seeking out financial and staff support. For a detailed discussion of this project's lessons learned from our review of successful councils, readers are referred to another project publication: Industry-Education-Labor Collaboration: An Action Guide for Collaborative Councils.

The Funding of Collaborative Councils

One would expect a positive relationship between the scale of council budgets and the number and impact of their activities. Perhaps more funds on hand, the more active is the council. Or, from another perspective, the more active and serious the council, the more likely it is that larger cash resources will be produced.

Initial analysis indicates that both suppositions have some validity. The several CETA Private Industry Councils included in our Directory and the twenty-three councils created in Michigan under that state's Interagency Collaborative Initiative simply would not have existed without the stimulus of federal and state government funds. The same would probably be true for most of the councils which participated in the Work-Education Consortium Project, a federally-funded project designed to demonstrate the feasibility of local collaborative action councils.

On the other hand even these councils owe something--all in some cases--of their financial survival to personal resourcefulness and creative thinking. Sufficient examples prove that money is not a necessary prerequisite to substantial action. But councils which are creative and whose concerns are large do tend to have greater resources than those with smaller, more routine agendas.

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THE PRODUCT CONCEPT IS A MANAGEMENT ORIENTATION THAT ASSUMES THAT CONSUMERS WILL FAVOR THOSE PRODUCTS THAT OFFER THE MOST QUALITY FOR THE PRICE, AND THEREFORE THE ORGANIZATION SHOULD DEVOTE ITS ENERGY TO IMPROVING PRODUCT QUALITY.

THE SELLING CONCEPT IS A MANAGEMENT ORIENTATION THAT ASSUMES THAT CONSUMERS WILL EITHER NOT BUY OR NOT BUY ENOUGH OF THE ORGANIZATION'S PRODUCTS UNLESS THE ORGANIZATION MAKES A SUBSTANTIAL EFFORT TO STIMULATE THEIR INTEREST IN ITS PRODUCTS.

THE MARKETING CONCEPT IS A MANAGEMENT ORIENTATION THAT HOLDS THAT THE KEY TASK OF THE ORGANIZATION IS TO DETERMINE THE NEEDS AND WANTS OF TARGET MARKETS AND TO ADAPT THE ORGANIZATION TO DELIVERING THE DESIRED SATISFACTIONS MORE EFFECTIVELY AND EFFICIENTLY THAN ITS COMPETITORS.

DEFINITION OF
MARKETING MANAGEMENT

Marketing Management is the analysis, planning, implementation, and control of programs designed to create, build, and maintain mutually beneficial exchanges and relationships with target markets for the purpose of achieving organizational objectives. It relies on a disciplined analysis of the needs, wants, perceptions, and preferences of target and intermediary markets as the basis for effective product design, pricing, communication, and distribution.

ELABORATION OF THE "FOUR Ps"

PRODUCT	PLACE	PROMOTION	PRICE
QUALITY	CHANNELS	ADVERTISING	LIST PRICE
FEATURES	COVERAGE	PERSONAL SELLING	DISCOUNTS
OPTIONS	LOCATIONS	SALES PROMOTION	ALLOWANCES
STYLE	INVENTORY	PUBLICITY	PAYMENT PERIOD
BRAND NAME	TRANSPORT		CREDIT TERMS
PACKAGING			
SIZES			
SERVICES			
WARRANTIES			
RETURNS			

SUCCESSFUL POSITIONING STRATEGIES

The against position	Avis-	"We're No. 2, we try harder."
	B. F. Goodrich-	"We're the other guys."
The distinctive position	7 UP-	"The Uncola"
The broadened position	Johnson's-Baby Shampoo	Got more users.
	Arm & Hammer-Baking Soda	Cultivated greater consumption through different uses.
The time of day position	Nyquil-	Successfully entered a crowded market.
The elite position	Becks (?)-	Repositioned Lowenbrau out of the import beer segment.
The special occasion position	Lowenbrau-	"Here's to good friends." etc.
	Michelob-	"Weekends were made for Michelob." etc.
The "positived" position	Lite Beer-from Miller	Stressed positive, great choice of words. Made it masculine.
Positioned retailing	Lane Bryant- The Limited-	Clothing stores are using positioning more and more.
	Wax Tracks-	Obscure and collectible rock records.

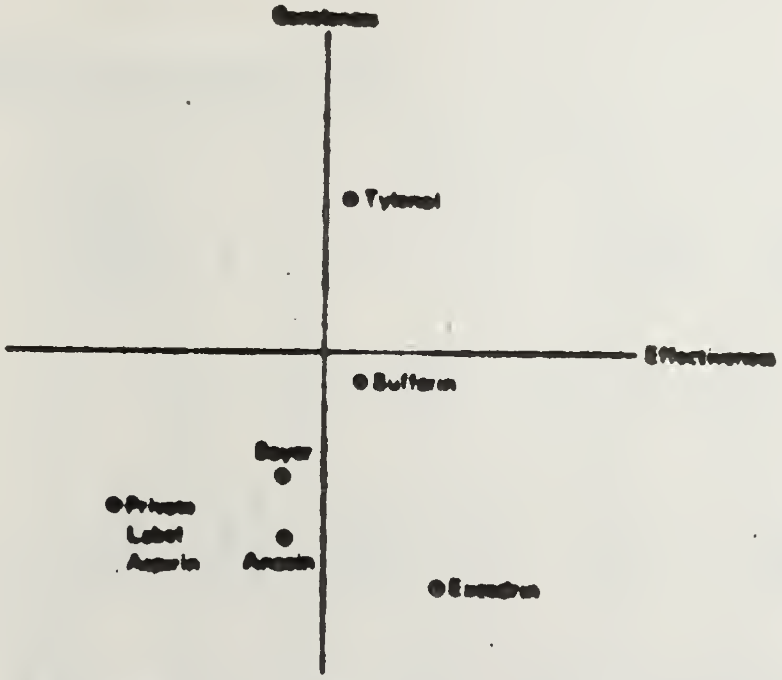


Figure 9.1. *Perceptual Map of Pain Relievers*

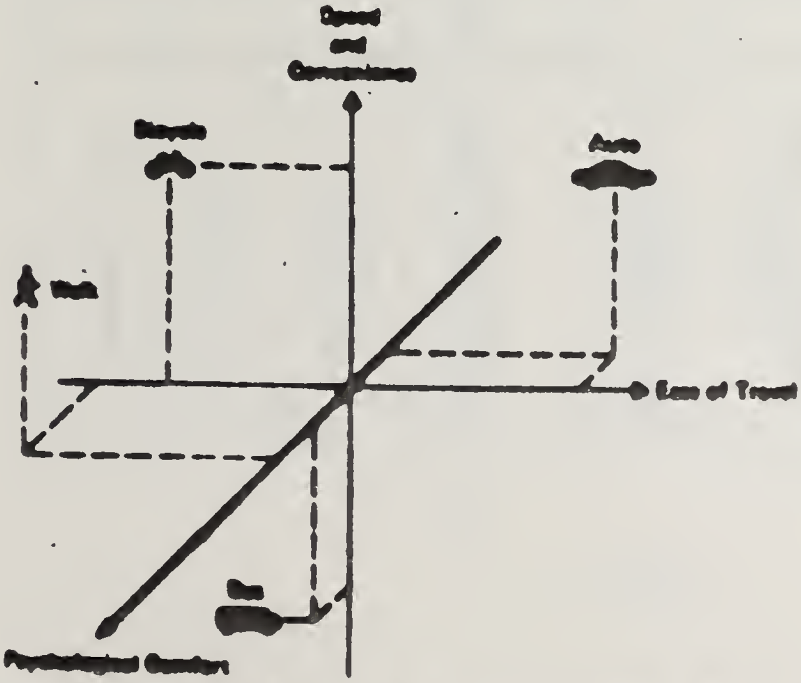


Figure 9.2. *Perceptual Map of Transportation Services adapted from Hauser and Wisniewski, 1979*

FIGURE 4

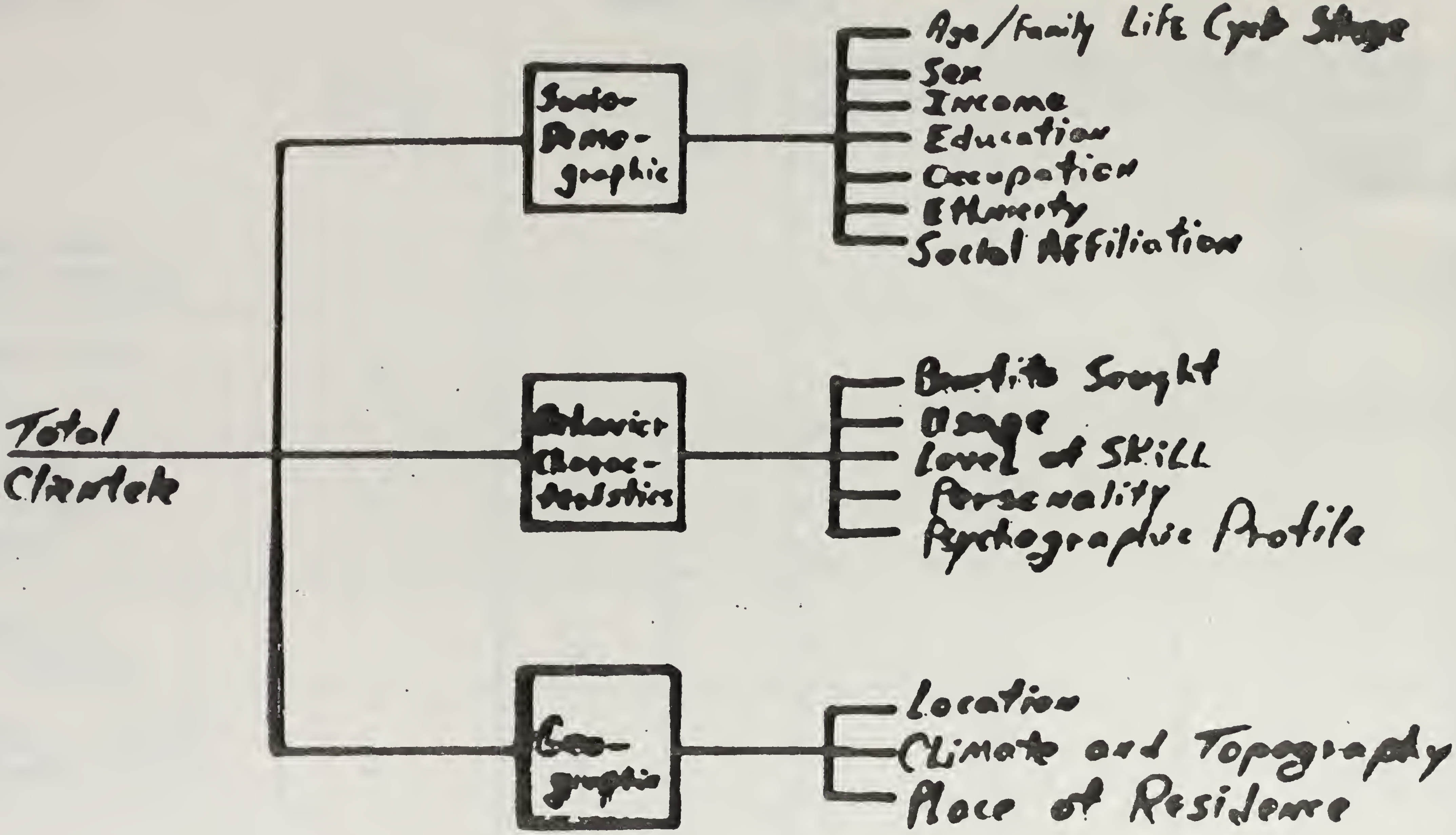
AN EXAMPLE OF BENEFIT SEGMENTATION

SEGMENT NAME	The Sensory Segment	The Sociables	The Worriers	The Independent Segment
PRINCIPAL BENEFIT SOUGHT	flavor, product appearance	brightness of teeth	decay prevention	price
DEMOGRAPHIC STRENGTHS	children	teens, young people	large families	men
SPECIAL BEHAVIORAL CHARACTERISTICS	users of spearmint flavored tooth-paste	smokers	heavy users	heavy users
BRANDS DISPROPORTIONATELY FAVORED	Colgate, Stripe	MacLeans, Plus White, Ultra Brite	Crest	Brands on sale
PERSONALITY CHARACTERISTICS	high self-involvement	high sociability	high hypochondriasis	high autonomy
LIFE STYLE CHARACTERISTICS	hedonistic	active	conservative	value-oriented

HIGHLIGHT

Some Alternative Bases for Segmentation

1. Geographic--marketing in some areas but not others. Obvious for certain product such as snowmobiles.
2. Demographic--identifying a market in terms of population characteristics such as occupation, race, sex, age, income, stage in family life cycle.
3. Behavioral Characteristics--identifying a market in terms of life style, personality, benefits sought in using the product, social class.
4. Volume--distinguishing heavy, medium, light users and nonusers and determining if they differ demographically and/or behaviorally.
5. Institutional--industrial marketers may identify markets based on size or type of industry.



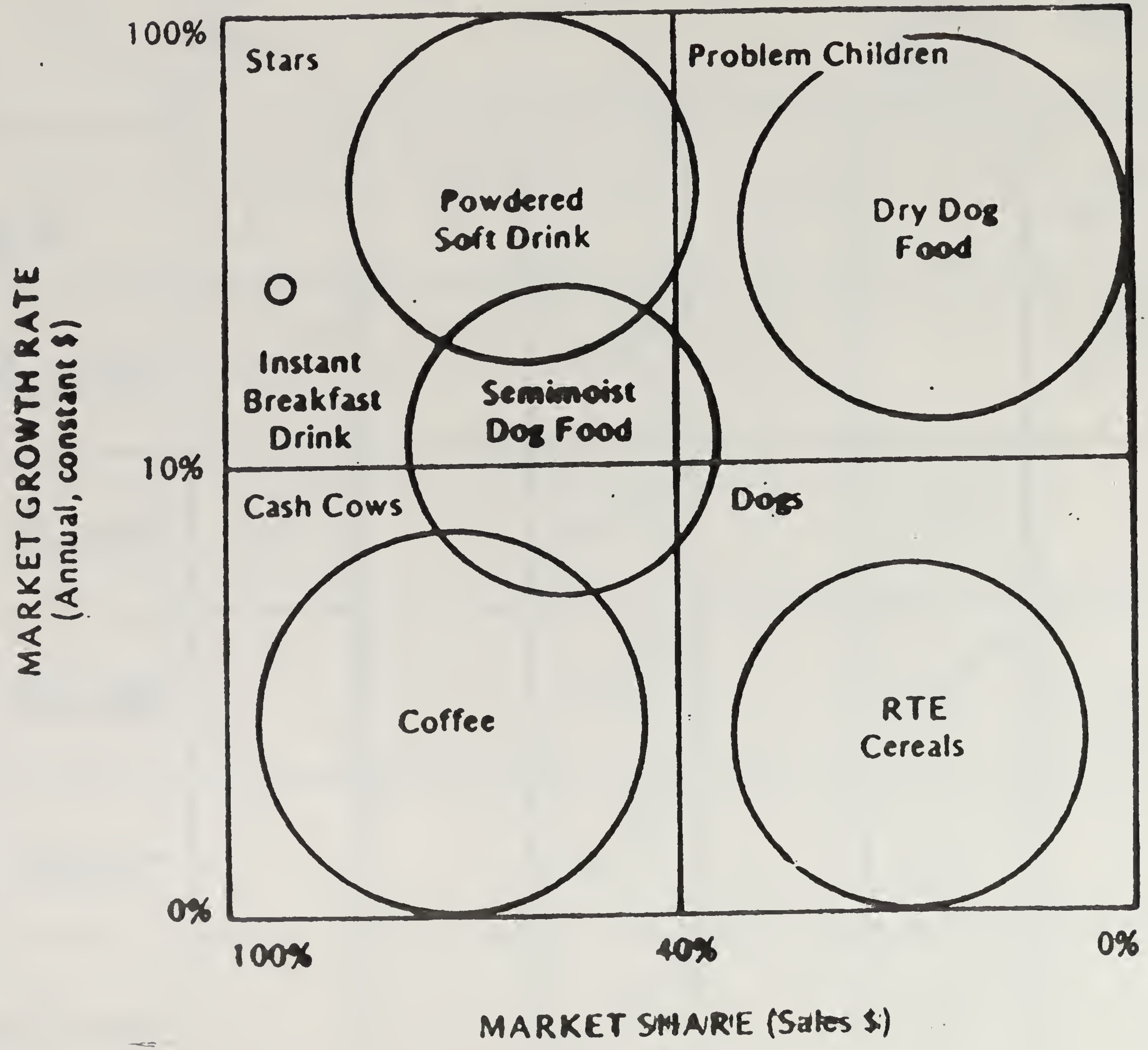
Some Common Characteristics Used for Segmenting a Clientele

BENEFITS	MARKET SEGMENTS							
	ADULTS SEEKING NEW SKILLS	EXECU-TIVES	17-22 YEARS AGE	RETURNING HOUSEWIVES	SENIOR CITIZENS	UNEM-PLOYED	PERSONS SEEKING CAREER CHANGE	ADULT
TRADITIONAL DEGREE PROGRAMS			X	X				X
SUMMER COURSE ONLY	X	X	X		X	X	X	X
PRACTICAL - HOW TO DO IT COURSES	X	X				X	X	
SHORT 1-2 DAY SEMINARS		X					X	
CONTRACT TRAINING (PROGRAMS ON SITE)	X	X					X	
CUSTOM DESIGNED COURSES FOR SPECIAL POPULATIONS	X	X				X	X	

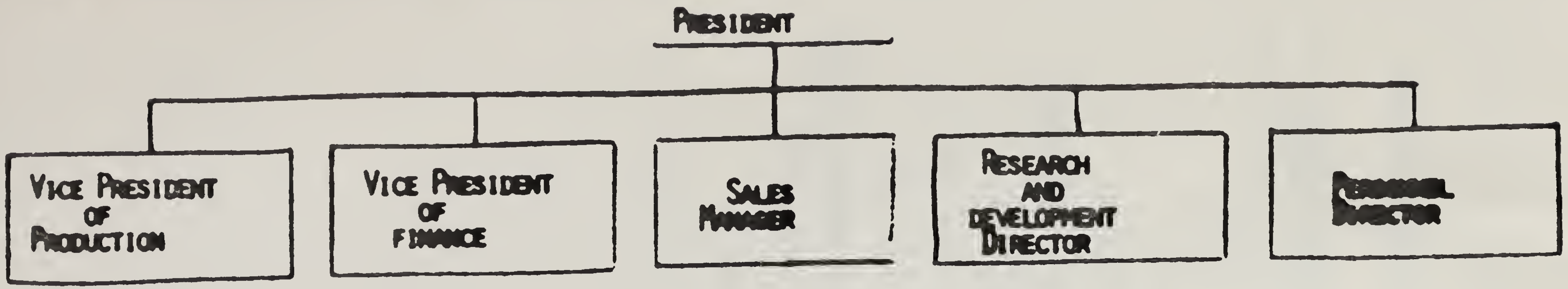
BENEFIT/SEGMENT GRID

BENEFITS	BUSINESS/INDUSTRIAL MARKET SEGMENTS				
	SMALL MFGRS. WITH NO TRAINING PGM.	LARGE MFGRS. WITH TRAINING PGM.	LARGE MFGRS. WITH NO TRAINING PGM. FOR SOME SKILLS	FINANCIAL INSTITUTIONS	SERVICE ORGS. (REST., MOTELS)
SUPPLEMENTARY TRAINING/EDUC.		X	X	X	X
SUBSTITUTE TRAINING/EDUC.	X		X	X	X
NEW SKILLS/ UPGRADING SKILLS	X		X	X	X
TRAINING FOR NEW JOBS	X			X	X
GENERAL EDUCATION		X	X		

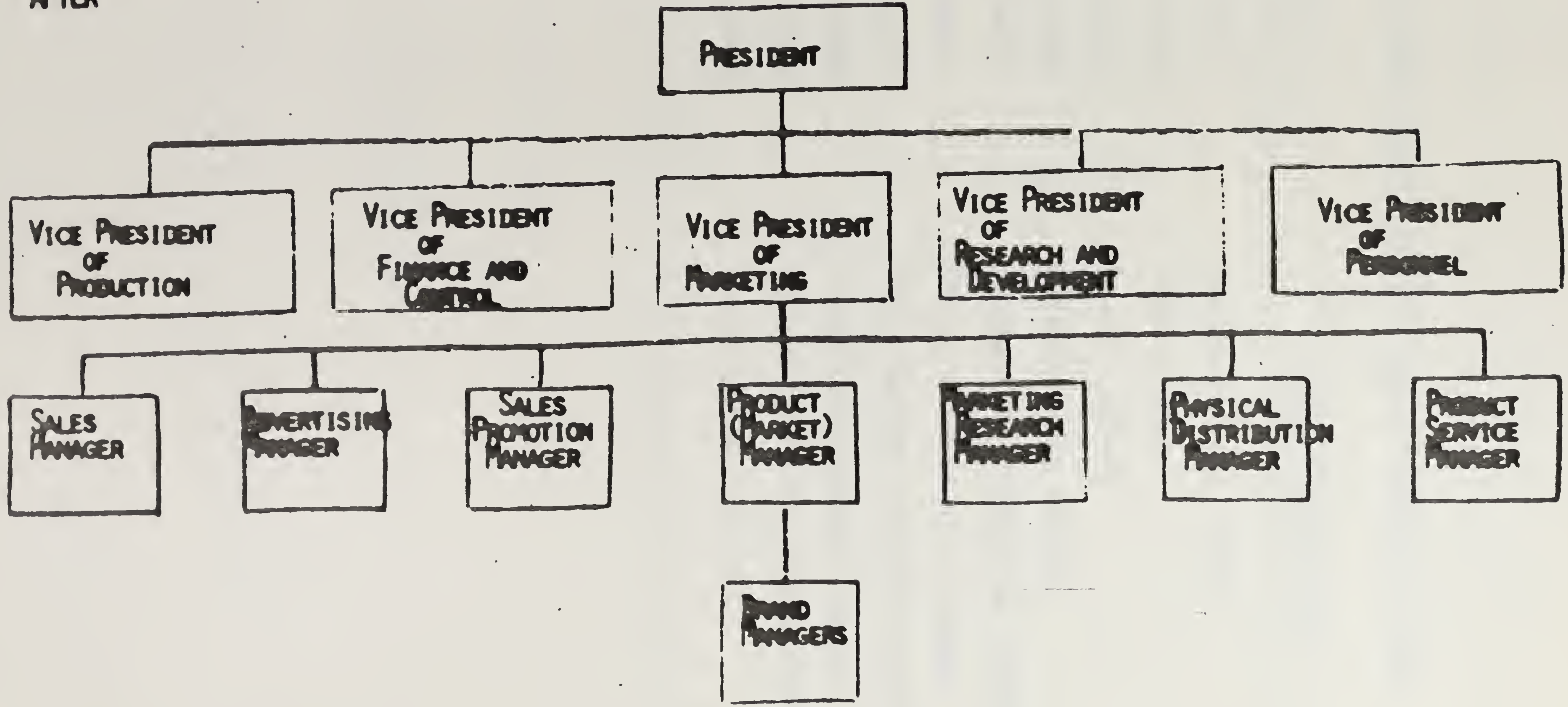
Growth/Share Matrix: General Foods Corporation



Program Dimensions Life Cycle Stage	Pop-Disco	Tap	Folk	Ballet	Ball-Room Social	Modern Jazz	Belly	Square Dance
Single	✓	✓	✓	✓		✓		✓
Pre-Parental	✓		✓			✓	✓	✓
Early-Parental	✓		✓		✓		✓	✓
Late-Parental			✓		✓		✓	✓
Empty Nest			✓		✓			✓
Senior Citizen			✓		✓			✓


PRESIDENT
VICE PRESIDENT OF PRODUCTION
VICE PRESIDENT OF FINANCE
SALES MANAGER
RESEARCH AND DEVELOPMENT DIRECTOR
PERSONNEL DIRECTOR

AFTER


PRESIDENT
VICE PRESIDENT OF PRODUCTION
VICE PRESIDENT OF FINANCE AND CONTROL
VICE PRESIDENT OF MARKETING
VICE PRESIDENT OF RESEARCH AND DEVELOPMENT
VICE PRESIDENT OF PERSONNEL
SALES MANAGER
ADVERTISING MANAGER
SALES PROMOTION MANAGER
PRODUCT (MARKET) MANAGER
MARKETING RESEARCH MANAGER
PHYSICAL DISTRIBUTION MANAGER
PRODUCT SERVICE MANAGER
BRAND MANAGERS

PRODUCT DEFINITIONS VERSUS MARKET DEFINITIONS OF BUSINESS DOMAIN

PRODUCT DEFINITION	MARKET DEFINITION
Railroad company	Transportation company
Oil company	Energy company
Cosmetics company	Beauty company
Television manufacturer	Entertainment company
Computer company	Information-processing company
Copy machine company	Office productivity company
Fertilizer producer	World-hunger-fighting company
Vacuum cleaner manufacturer	Cleaner-environment company
Encyclopedia company	Information-development company
Valve company	Fluid-control company

Exhibit 1: Description of Elements of a Marketing Plan—Industrial Products Division, The Goodyear Tire and Rubber Company

General Market Planning Information

1. What Is an Annual Marketing Plan?

Broadly speaking, an Annual Marketing Plan is a document that sets forth (a) business goals, and (b) action programs required to achieve those goals for a twelve-month period.

Here is a more precise definition:

The Annual Marketing Plan is an organized, documented, written communication that does these things—

a. Defines the business situation—past, present, and future.
b. Defines the opportunities and problems facing the business.
c. Establishes specific and realistic business objectives.
d. Defines marketing strategy and action programs required to accomplish the objectives.
e. Pinpoints responsibility for execution of programs.
f. Establishes timetables and controls for execution of programs.
g. Translates objectives and programs into forecasts and budgets which provide a basis for planning by other departments of the company.

2. Checklist in Development of a Plan

a. Situation analysis.
b. Formation of objectives.
c. Development of strategy.
d. Action assignments.
e. Management endorsement.

3. Why Do Some Marketing Plans Fail?

a. Lack of a *real plan*.
b. Lack of an adequate situation analysis.
c. Prepared without adequate participation of supporting functions (production, development, advertising, etc).
d. Unrealistic goals.
e. Plan not adequately "sold" during and after preparation.
f. Unanticipated competitive moves, unanticipated product deficiencies, and acts of God.

4. Reasons Why Market Information Is Needed.

a. Nothing replaces cold, hard facts to direct market planning efforts.
b. To identify *problems* and *opportunities* from which marketing objectives will be established.
c. To guide the planning of other company functions.

5. What Kinds of Facts Are Needed for Market Planning?

a. Who are the users, where are they located, and how much do they buy, who do they buy from and why?
b. How has promotion and advertising been employed and which approach has been more effective?
c. What are the pricing changes in the market—who has initiated these changes and why?
d. How are the market's attitudes and values formed concerning competitive products?
e. What channels of distribution supply consumers and how do they function?

(Continued)

Exhibit 1 (Continued)

f. Who are the competitors, where are they located, what advantages/disadvantages have they compared to our company?
g. What marketing methods are used by the most successful competitors? By the least successful?
h. What are the overall objectives of the corporation for the coming year and five years hence?
i. What are the company strengths? Where are we recognized as leaders?
j. Where does the company have limitations and weaknesses compared to competition?
k. What are our production capabilities in all product lines?

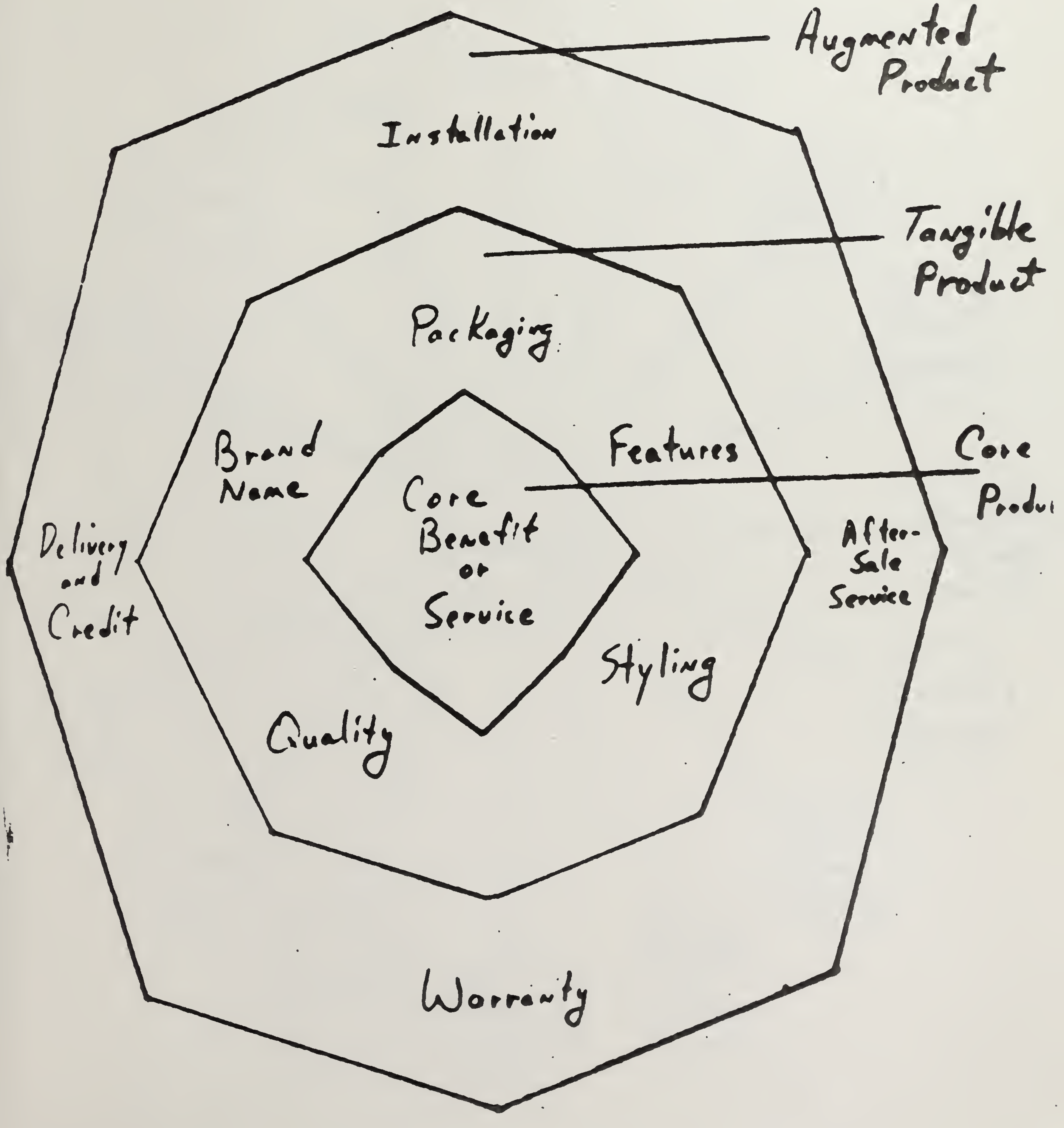
6. Sources of Market Information

a. Outside the Company
  1) Customers (most important source)
  2) Competitive literature
  3) Suppliers
  4) Trade magazines
  5) Trade associations
  6) Professional organizations

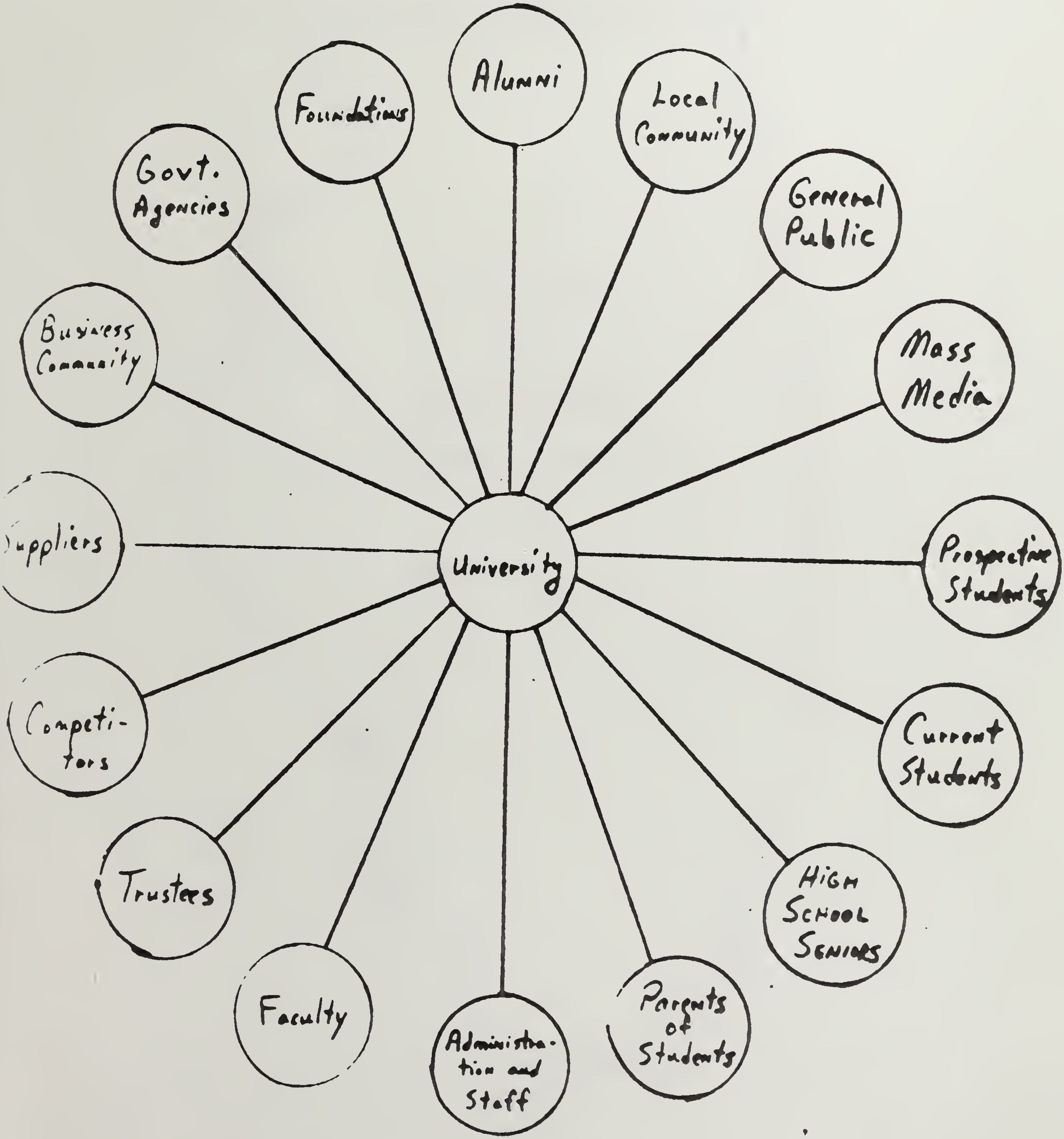
b. Government
  1) Census data
  2) Patent reviews
  3) Federal publications

c. Inside the Company
  1) Market research reports
  2) Sales call reports (data requested to be keyed to develop market information).
  3) Orders
  4) Complaints
  5) Informed persons
  6) Past year's customer correspondence
  7) Sales meeting summaries
  8) Technical reports

Three Levels of Product



The University and Its Publics



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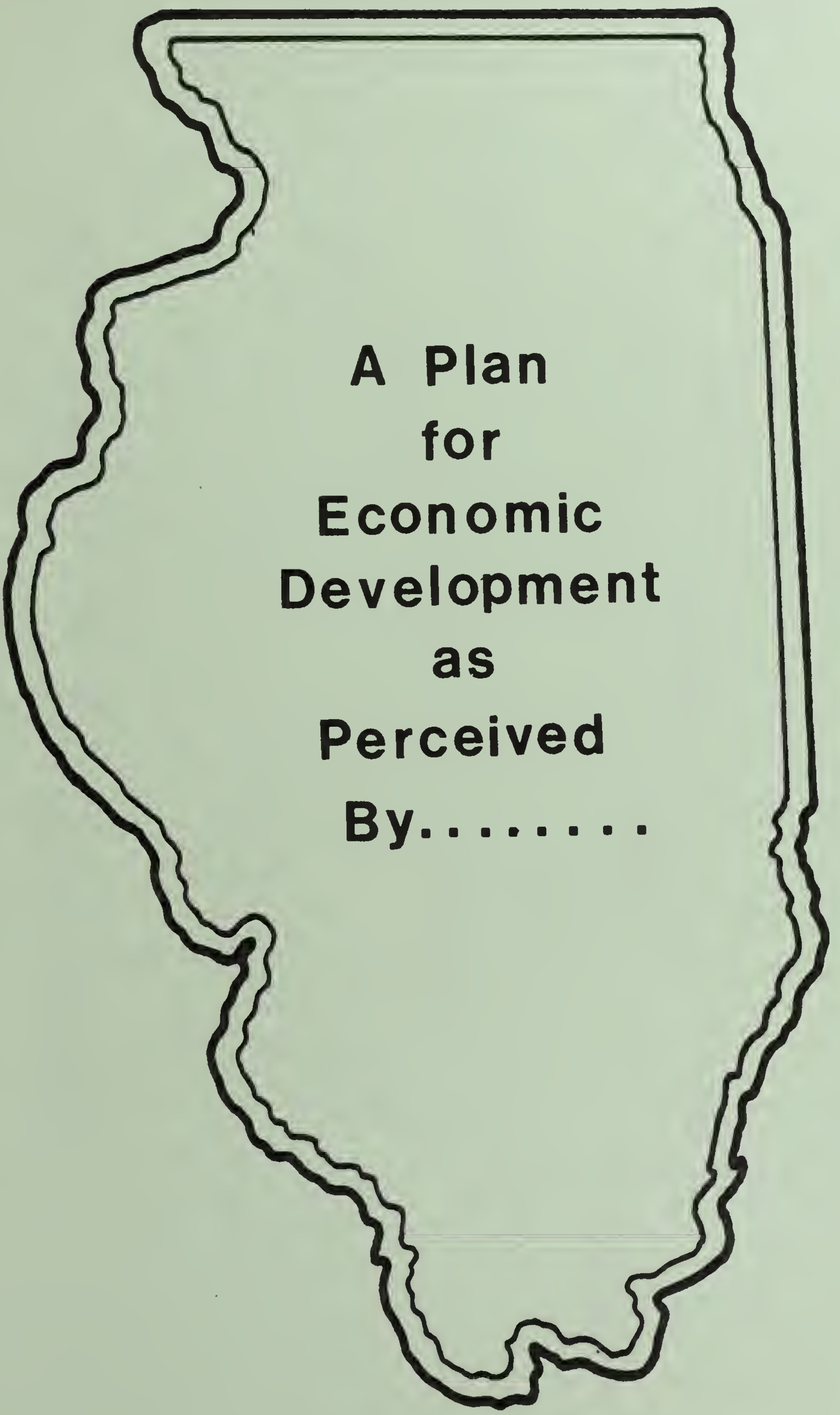
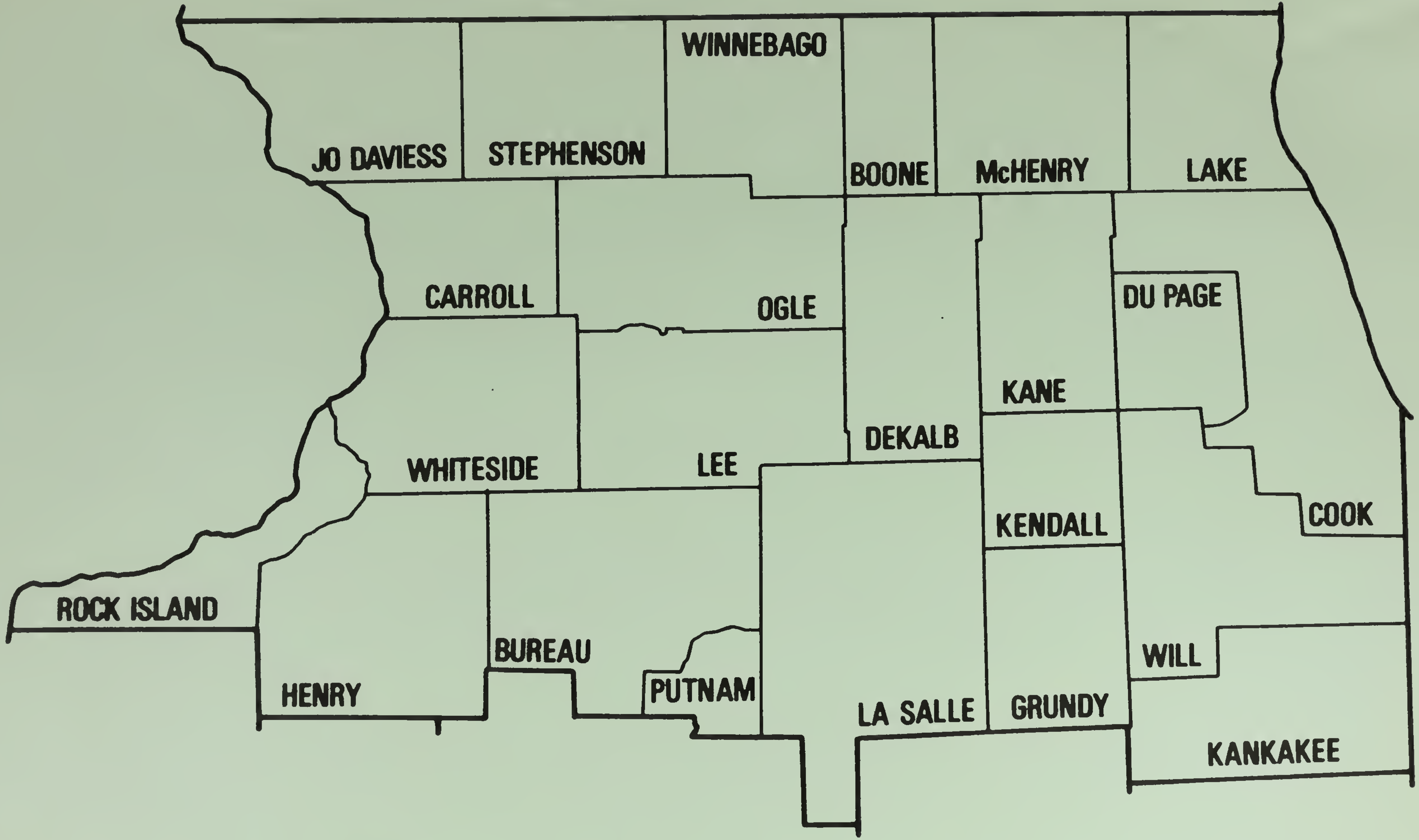
Office of Business Research
College of Business
Northern Illinois University
DeKolb, Illinois 60115



A Plan for Economic Development as Perceived By........

A Communi-University Based Regional Economic Development Model



A Marketing Strategy Approach

E. Edward Harris, Director
Office of Business Research
College of Business
Northern Illinois University

FACT OR FALLACY?

1. DECLINING PRODUCTIVITY AND INABILITY OF COMMERCE AND INDUSTRY TO ADJUST AND IMPLEMENT NEW TECHNOLOGY IS THE MOST CRUCIAL PROBLEM FACING AMERICA TODAY.

2. THE "THOUGHTWARE REVOLUTION" OF THE LATE 1990'S WILL BE AS SIGNIFICANT TO THE QUALITY OF LIFE IN THE UNITED STATES AS THE INDUSTRIAL REVOLUTION WAS IN THE EARLY 1800'S.

3. APPROXIMATELY 50 PERCENT OF THE JOBS IN A GIVEN AREA CHANGE EVERY FIVE YEARS AND ONLY 1 - 2 PERCENT IS DUE TO RELOCATION OF COMMERCE AND INDUSTRY.

4. EIGHTY PERCENT OF THE REPLACEMENT JOBS ARE CREATED BY FIRMS WITH 100 OR FEWER EMPLOYEES.

5. A TRAINED WORKFORCE IS THE KEY TO INCREASED PRODUCTIVITY. HOWEVER, THE ACADEMIC AND FUNCTIONAL SKILLS OF MOST WORKERS ARE TOO ANTIQUATED FOR THE NEW REPLACEMENT JOBS NOW EMERGING AND PUBLIC SECTOR TRAINING FACILITIES ARE OBSOLETE, WORN OUT AND LIMITED.

6. THE U.S. IS NOW SPENDING $40 BILLION A YEAR ON JOB TRAINING BY PRIVATE AND PUBLIC SECTOR AGENCIES WITH THE PUBLIC SECTOR PROGRAMS SERVING LESS THAN 8 PERCENT OF THE POPULATION.

7. IN JANUARY 1983, AMERICA'S PRODUCTION RATE WAS ONLY AT 67.5 PERCENT OF CAPACITY AND THE SMALL BUSINESS FAILURE RATE WAS UP 55 PERCENT OVER THE PREVIOUS YEAR.

8. ILLINOIS IS NOT ONE OF THE 19 STATES WITH A SMALL BUSINESS DEVELOPMENT CENTER, YET SMALL BUSINESS FAILURES CONTINUE TO GROW AT AN ALARMING RATE.

AND DID YOU KNOW THAT
IT HAS BEEN PREDICTED THAT...

1. BY THE YEAR 2010, 30 PERCENT OF THE POPULATION WILL BE 60 OR OVER WITH ONLY 40 PERCENT OF THE PEOPLE IN THE WORK FORCE IN THE NORMAL WORKING AGE CATEGORY?

2. THERE WILL BE 28 PERCENT FEWER HIGH SCHOOL GRADUATES IN 1992 THAN IN 1982?

3. THERE WILL BE 22 PERCENT INCREASE IN THE NUMBER OF ADULT AGED WOMEN WORKING?

4. TECHNOLOGY WILL CONTINUE TO CHANGE EVERY 5 - 7 YEARS?

5. THE BIGGEST JOB GROWTH WILL COME IN TWO GENERAL AREAS: INFORMATION AND CONSERVATION - AND, THERE WILL BE A RAPID GROWTH IN OCCUPATIONS THAT BARELY EXIST TODAY?

6. NINETY PERCENT OF GROWTH IN THIS COUNTRY WILL TAKE PLACE IN THE SOUTHWEST AND FLORIDA?

7. APPROXIMATELY 66 PERCENT OF THOSE CURRENTLY UNEMPLOYED WILL NEVER RETURN TO THEIR OLD JOBS?

8. TWENTY MILLION TO EIGHTY MILLION AMERICANS WILL NEED TO BE RETRAINED IN THE NEXT 10 YEARS?

Chicago Tribune

25¢ Friday, March 11, 1983

State economy ripped in study

By Alvin Nagelberg

DETERIORATING economic growth has cost Illinois 200,000 jobs and $6 billion in personal income since 1967, according to a nine-month study by the Illinois State Chamber of Commerce.

The state's economic growth since 1974 has been among the worst in the United States, ranking 45th among the 48 continental states, according to the report issued Thursday by the chamber.

Illinois' economic performance fell below even that of most of its neighboring Great Lakes states, although they also have been hit hard by unemployment and other recessionary troubles.

The report was released as Gov. James Thompson met Thursday with New York bond rating services to try to persuade them to maintain the AAA rating on Illinois bonds.

It blamed major cost increases in worker's compensation, unemployment insurance and welfare and rising business taxes for the state's deteriorating economic performance. It also warned that further direct tax increases on business would cost Illinois more income and jobs.

FOR THE NEXT fiscal year, which begins July 1, Thompson has proposed a $1.8-billion package of increases in taxes and fees that includes raising the corporate income tax. The report does not analyze the impact of the proposals, but notes that the business share of Illinois taxes in 1977 was higher than the national average.

"Had Illinois reduced its direct business tax burden to the same level as the average state, it may have realized an additional $2.36 billion in personal income and as many as 75,000 more jobs," the report said.

The chamber has opposed Thompson's tax plan, insisting that the state's financial problems could be solved by budget-cutting.

"We should balance the budget as best we can until the economy shows improvement," said Lester Brann Jr., chamber president.

A. James Heins, professor of economics at the University of Illinois, who prepared the study for the business group, said that Thompson should enact a temporary sur-

Continued on page 21, col. 1

State jobless figures soar

By Bill Neikirk

Chicago Tribune

WASHINGTON--The Illinois unemployment rate jumped sharply from 12.6 to 13.5 percent in February while the nation's official jobless rate held steady at 10.4 percent, the government said Friday.

Statewide, unemployment rose by 47,000 over January to 759,000 as the number of people employed fell by 49,000 to 4,880,000. The state labor force was reported to be 2,000 smaller than in January, indicating that some workers may have stopped looking for a job because of a generally discouraging outlook.

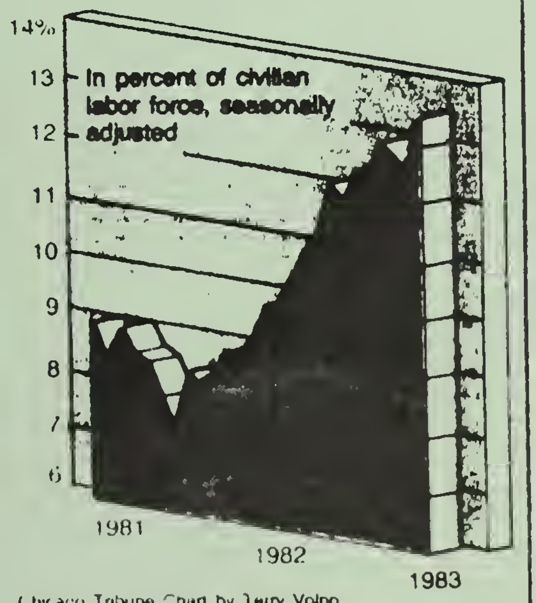
Even though an economic recovery has begun, many economists predict that the industrial Midwest will lag behind other regions because it depends so heavily on big-ticket goods that require credit and are sensitive to interest rates.

But in another sense, the worsening Illinois job situation may not be out of line with the picture across the nation. The U.S. figures indicated that large numbers of the jobless appear to have dropped out of the labor force temporarily, making the national data look better than they are.

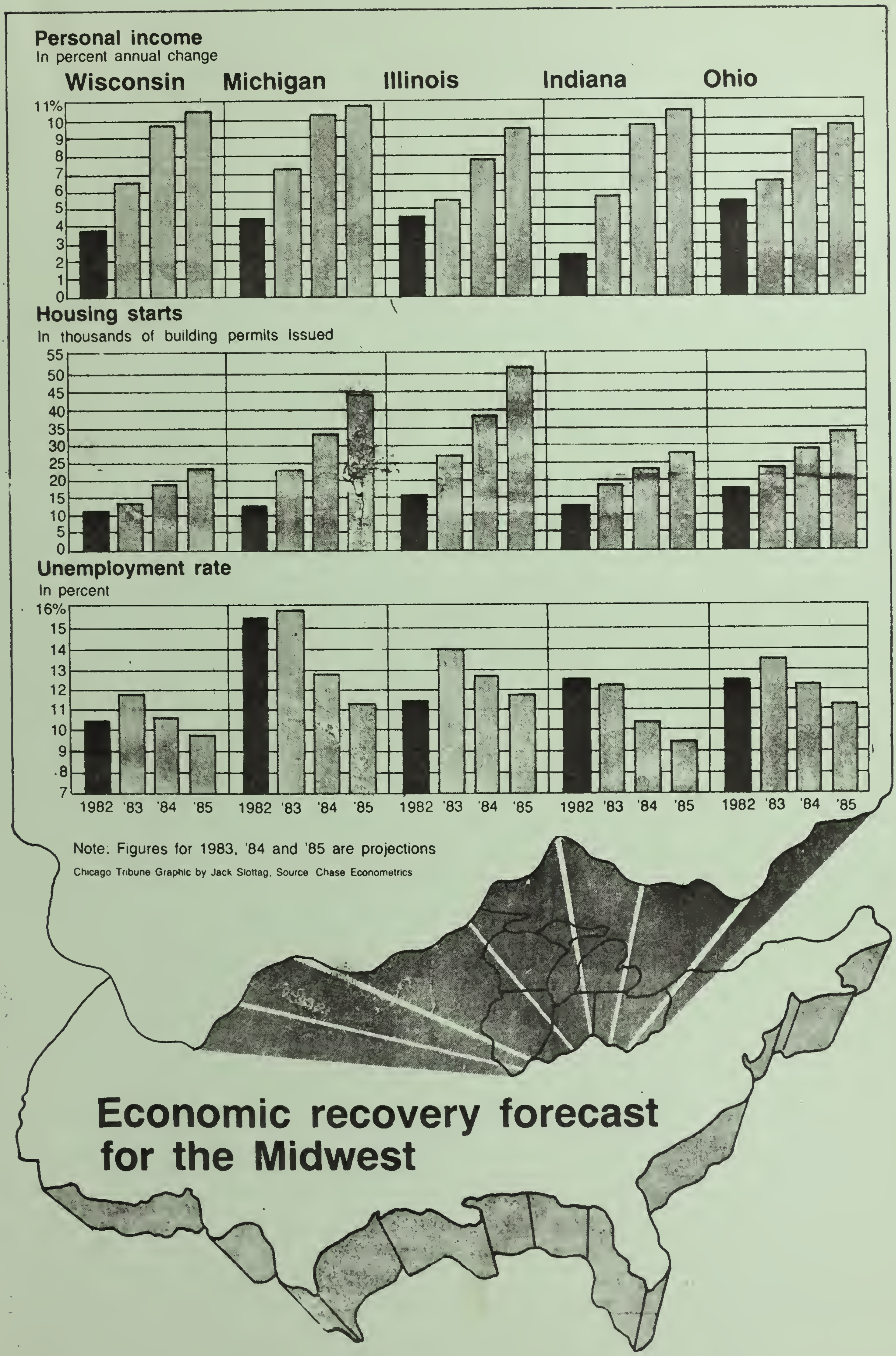
THE BUREAU of Labor Statistics' monthly jobs report slowed down some of the soaring optimism among economists that the economic recovery that first ap

Continued on page 2, col. 1

Unemployment in Illinois



Chicago Tribune Chart by Terry Volpp.
Source: U.S. Labor Department

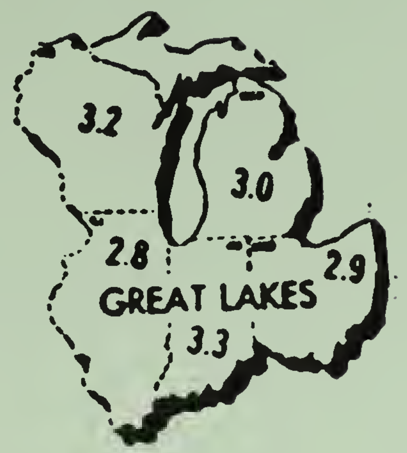


Note: Figures for 1983, '84 and '85 are projections

Chicago Tribune Graphic by Jack Slottag. Source Chase Econometrics

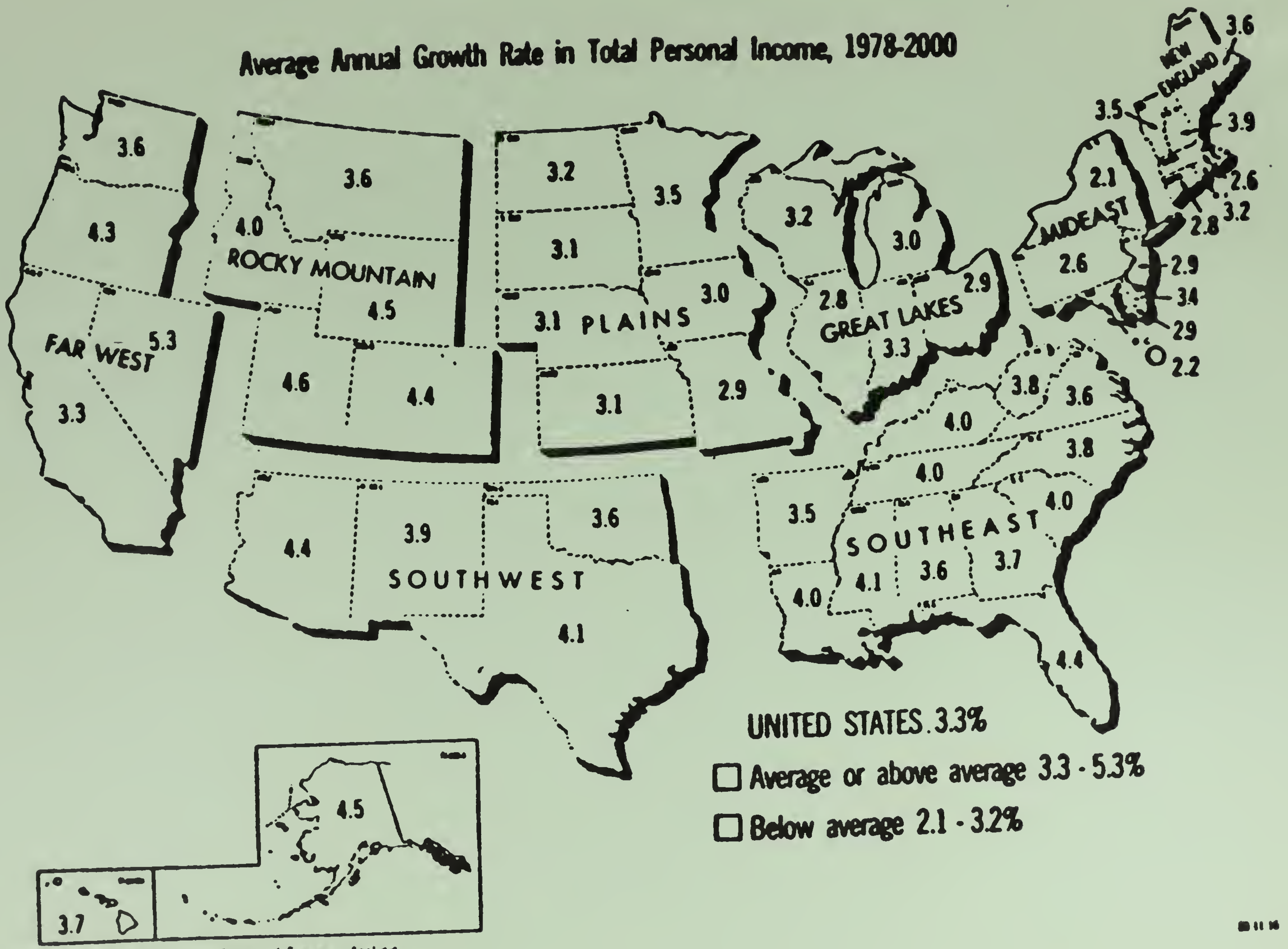
Economic recovery forecast for the Midwest

First into the recession,



Great Lakes may be last out

Average Annual Growth Rate in Total Personal Income, 1978-2000



U.S. Department of Commerce, Bureau of Economic Analysis

IF SOMETHING ISN'T DONE IN THIS 24-COUNTY NORTHERN ILLINOIS AREA (EXCLUDING CITY OF CHICAGO), WHAT WILL BE THE RESULT?

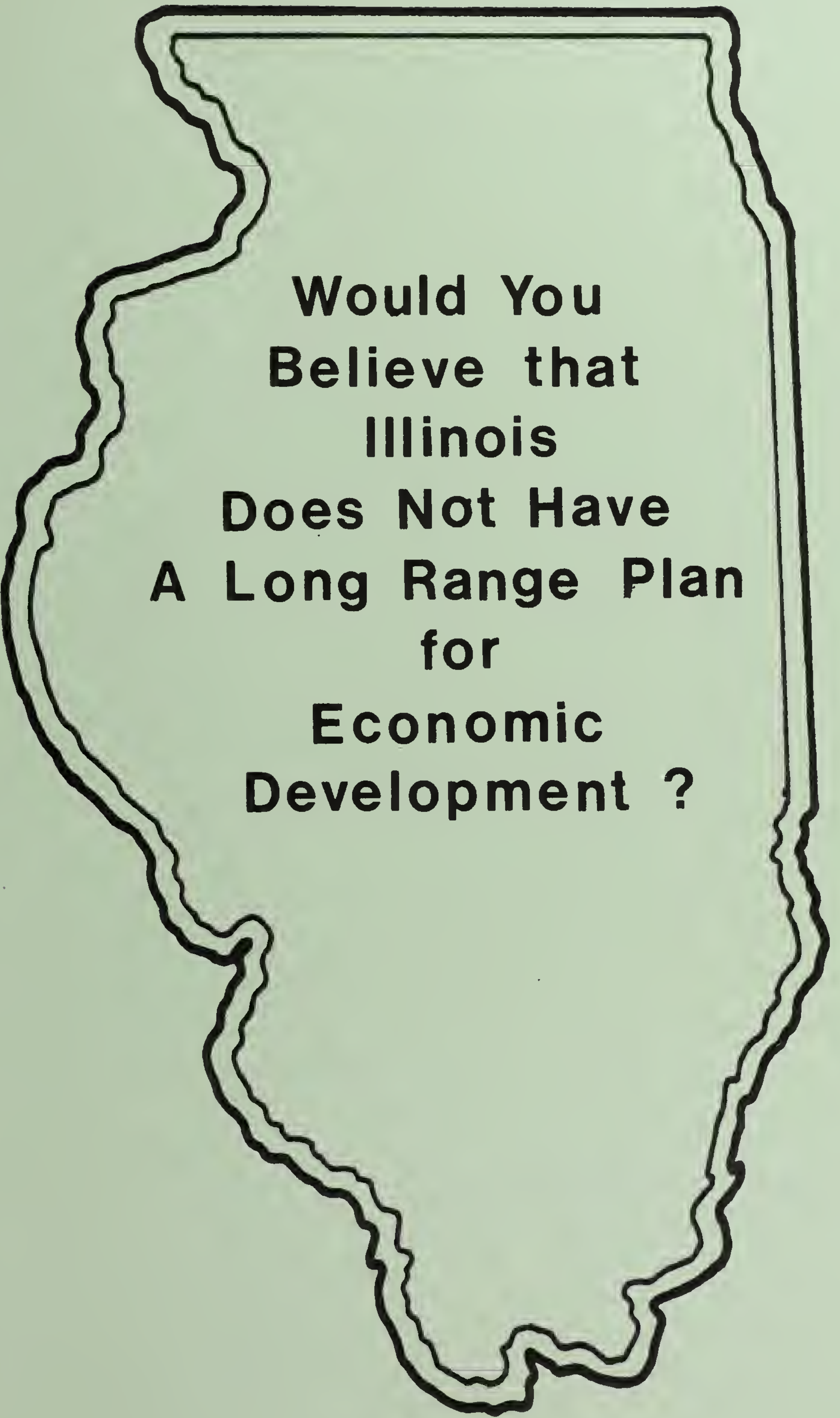
* IN 1982, THERE WERE 115,286 ESTABLISHMENTS EMPLOYING 1,869,553 PEOPLE!

* BY 1987, ALMOST 1 MILLION PEOPLE WILL HAVE TO BE TRAINED OR RETRAINED FOR JOBS OF FUTURE!

* IF NOT SUCCESSFUL, AREA WOULD LOSE APPROXIMATELY 20 BILLION DOLLARS IN PERSONAL INCOME IN THE NEXT FIVE YEARS.

* RESEARCH SHOWS THAT 100 NEW INDUSTRIAL JOBS MEANS TO A COMMUNITY PER YEAR $2,067,780 INCREASE IN PERSONAL INCOME,
  $ 661,609 INCREASE IN BANK DEPOSITS,
  $ 961,517 INCREASE IN RETAIL SALES,
  $1,038,000 INCREASE IN TAX BASE.

THE NEED TO REVITALIZE ECONOMY IS CLEAR! IT MUST HAPPEN! WHAT IS THE PLAN?



Would You
Believe that
Illinois
Does Not Have
A Long Range Plan
for
Economic
Development ?

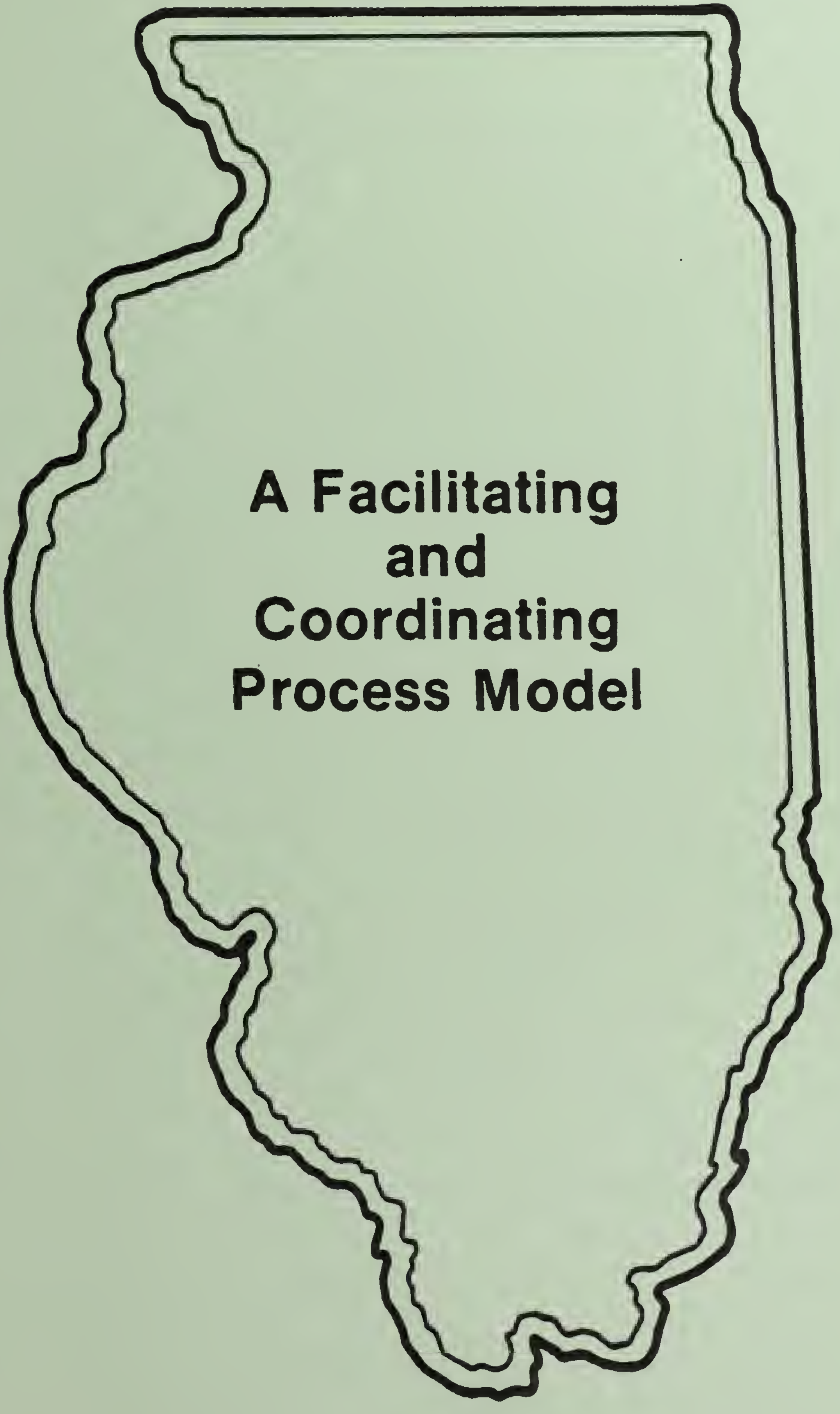
Does Your Community...?

Economic Development Defined:

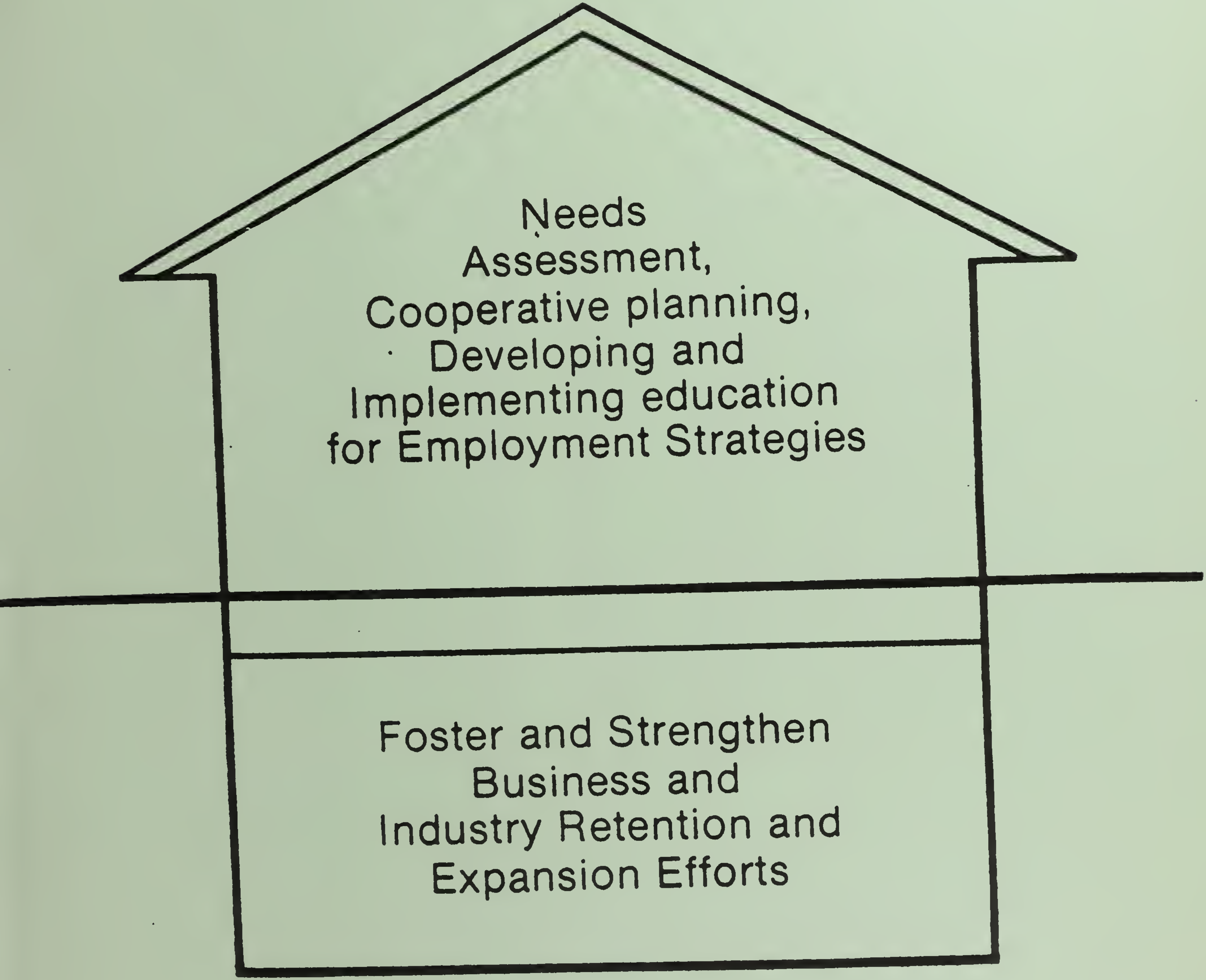
"A set of planning actions designed to attract new industry, expand existing industry, revitalize existing industry, and increase productivity growth rate. As a result, the quality of life in a community or state will be positively changed."

A Proposed State of Illinois Model for Economic Development

A Facilitating and Coordinating Process Model



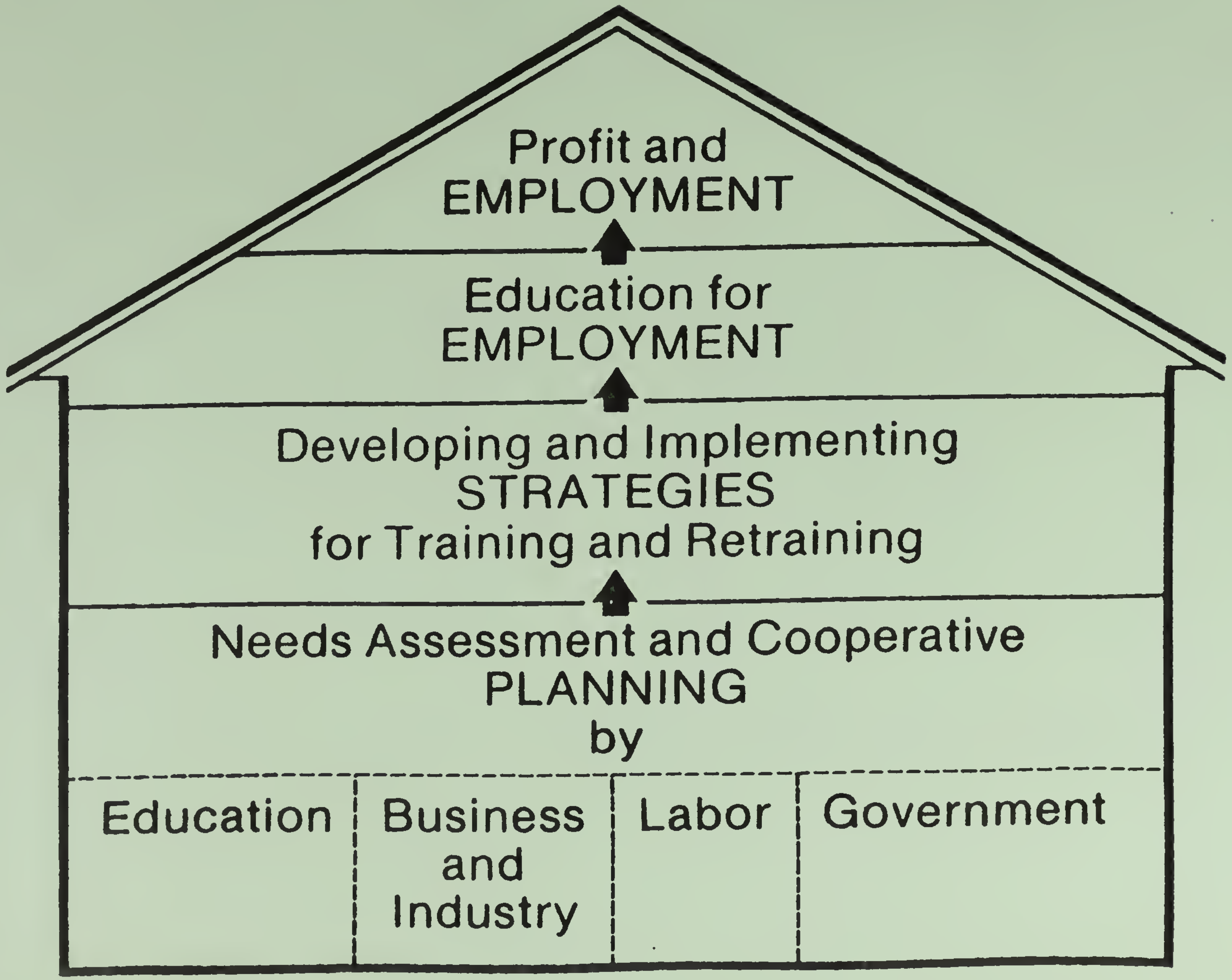
Two Major Project Goals

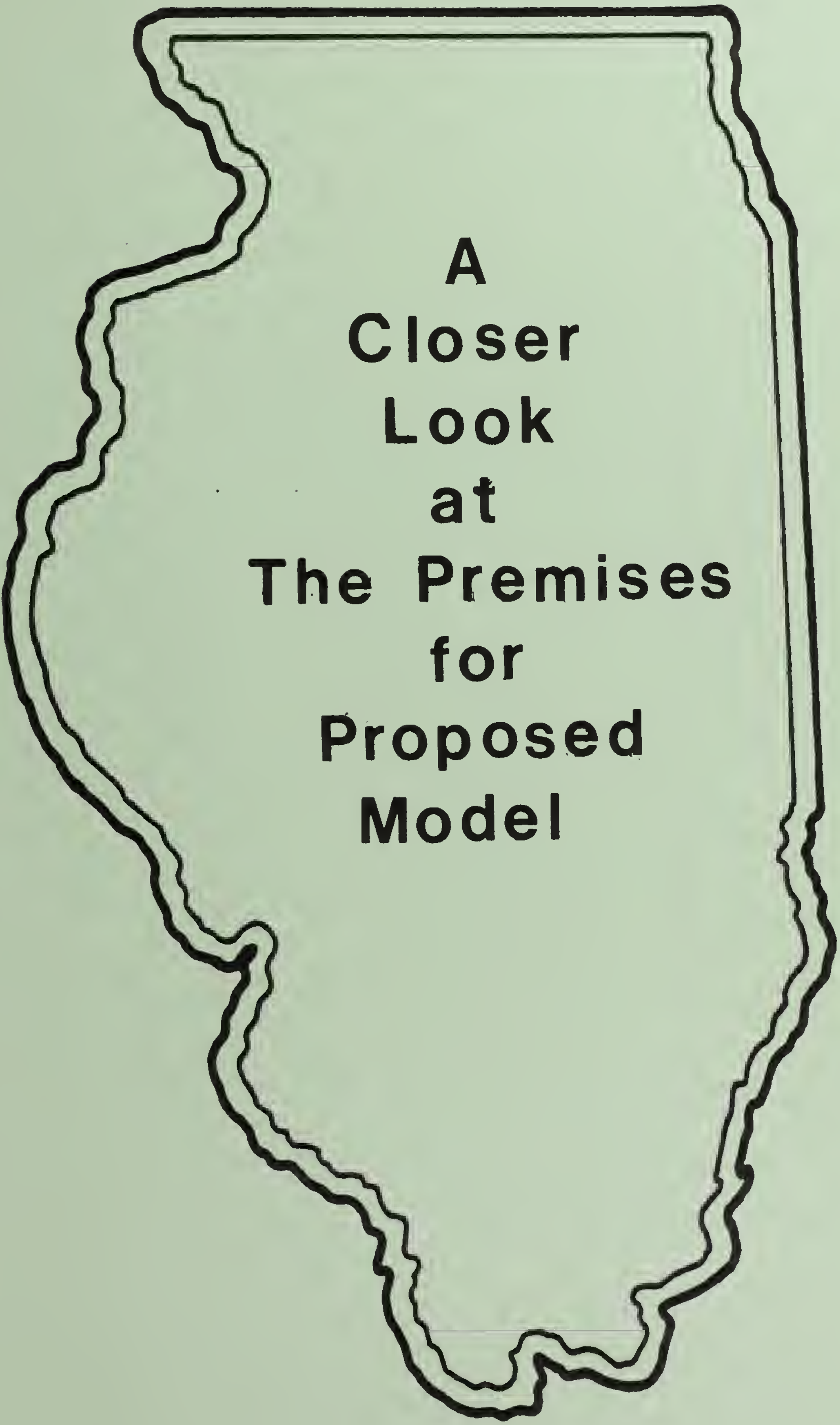

Needs Assessment, Cooperative planning, Developing and Implementing education for Employment Strategies
Foster and Strengthen Business and Industry Retention and Expansion Efforts

Foundation for Economic Development is Fostering and Strengthening Business and Industry Retention and Expansion

1. Help Increase Productivity
2. Help Decrease Business Failures
3. Help Encourage and Aid Entrepreneurship
4. Help Create a Favorable Business Climate Through Community Support

Human Resource Development is a Critical Component in Building for a Sound Economy and is Achieved by





A Closer Look at The Premises for Proposed Model

Key Premises

1. BUILT ON ASSUMPTION THAT ECONOMIC DEVELOPMENT BEGINS AT HOME--A GRASS ROOTS MODEL

2. REQUIRES NO NEW STATE AGENCIES...IN FACT, EXISTING STATE AGENCIES BECOME SUPPORTIVE NOT INITIATING

3. BUILT ON ASSUMPTION THAT INVESTMENT IN HUMAN RESOURCES IS THE BEST WAY TO INCREASE PRODUCTIVITY

4. REQUIRES NO NEW STATE FUNDS EXCEPT AS MATCH FOR SMALL BUSINESS ADMINISTRATION FEDERAL FUNDS

5. BUILT ON ASSUMPTION THAT ECONOMIC DEVELOPMENT CAN ONLY TAKE PLACE IF THERE IS MAXIMUM COOPERATION AND COLLABORATION BETWEEN AND AMONG COMMERCE, INDUSTRY, EDUCATION, LABOR AND COMMUNITY AGENCIES

ADDITIONAL PREMISES

1. THERE ARE REGIONAL ECONOMIC DEVELOPMENT NEEDS AND DIFFERENCES IN THE STATE THAT CAN BE MOST EFFECTIVELY ADDRESSED LOCALLY OR REGIONALLY, IF GIVEN ADEQUATE SUPPORT FROM PRIVATE AND PUBLIC SECTOR ORGANIZATIONS.

2. ECONOMIC DEVELOPMENT WILL EMERGE AS A PRIME THRUST IN VARIOUS COMMUNITIES AND REGIONS AT DIFFERENT TIMES. THERE IS LITTLE NEED TO TRY TO PROVIDE SUPPORTIVE SERVICES UNTIL A COMMUNITY "HURTS ENOUGH" AND IS READY TO ADDRESS ITS OWN PROBLEMS AND MAKE A FULL COMMITMENT TO REVITALIZING ITS ECONOMY.

3. MAXIMUM COOPERATIVE AND COLLABORATIVE EFFORTS WILL BE SUCCESSFUL WHEN THE PARTICIPANTS OR AGENCIES INVOLVED CAN CLEARLY AND FULLY SEE HOW THEY WILL BENEFIT.

4. LOCAL AND REGIONAL ECONOMIC DEVELOPMENT PERSONNEL, IF GIVEN THE PROPER EDUCATION AND TOOLS, CAN SERVE AS EFFECTIVE "MARKETING TEAMS."

5. EFFECTIVE PRIVATE AND PUBLIC SECTOR COOPERATIVE ARRANGEMENTS ON A LOCAL AND REGIONAL BASIS CAN BE ACCOMPLISHED SO AS TO ELIMINATE UNDUE TRAINING DUPLICATION AND MAKE MAXIMUM USE OF SCARCE RESOURCES.

6. EDUCATION, AT ALL LEVELS, HAS A KEY ROLE IN THE TOTAL ECONOMIC DEVELOPMENT SCENARIO IN ILLINOIS AND MUST MAKE A COMMITMENT TO ECONOMIC DEVELOPMENT.

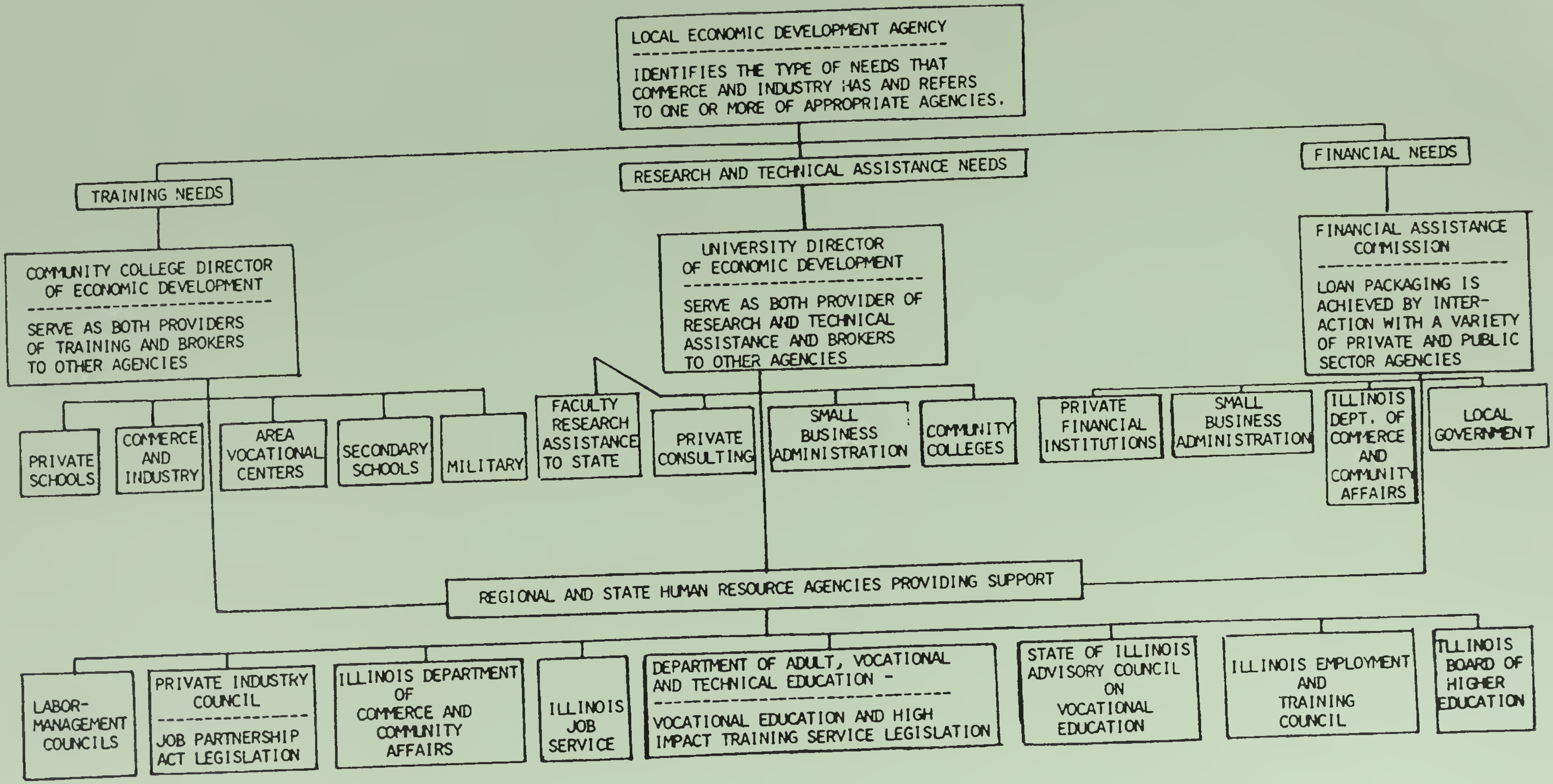
7. DECISION MAKERS IN COMMERCE AND INDUSTRY MUST HAVE ACCURATE ECONOMIC AND LABOR MARKET DATA.

8. DECLINING PRODUCTIVITY, THE INABILITY OF BUSINESS AND INDUSTRY TO EXPAND AND IMPLEMENT NEW TECHNOLOGY, AND THE INCREASE IN BUSINESS FAILURES ARE CRITICAL PROBLEMS NEEDING PROMPT ATTENTION.

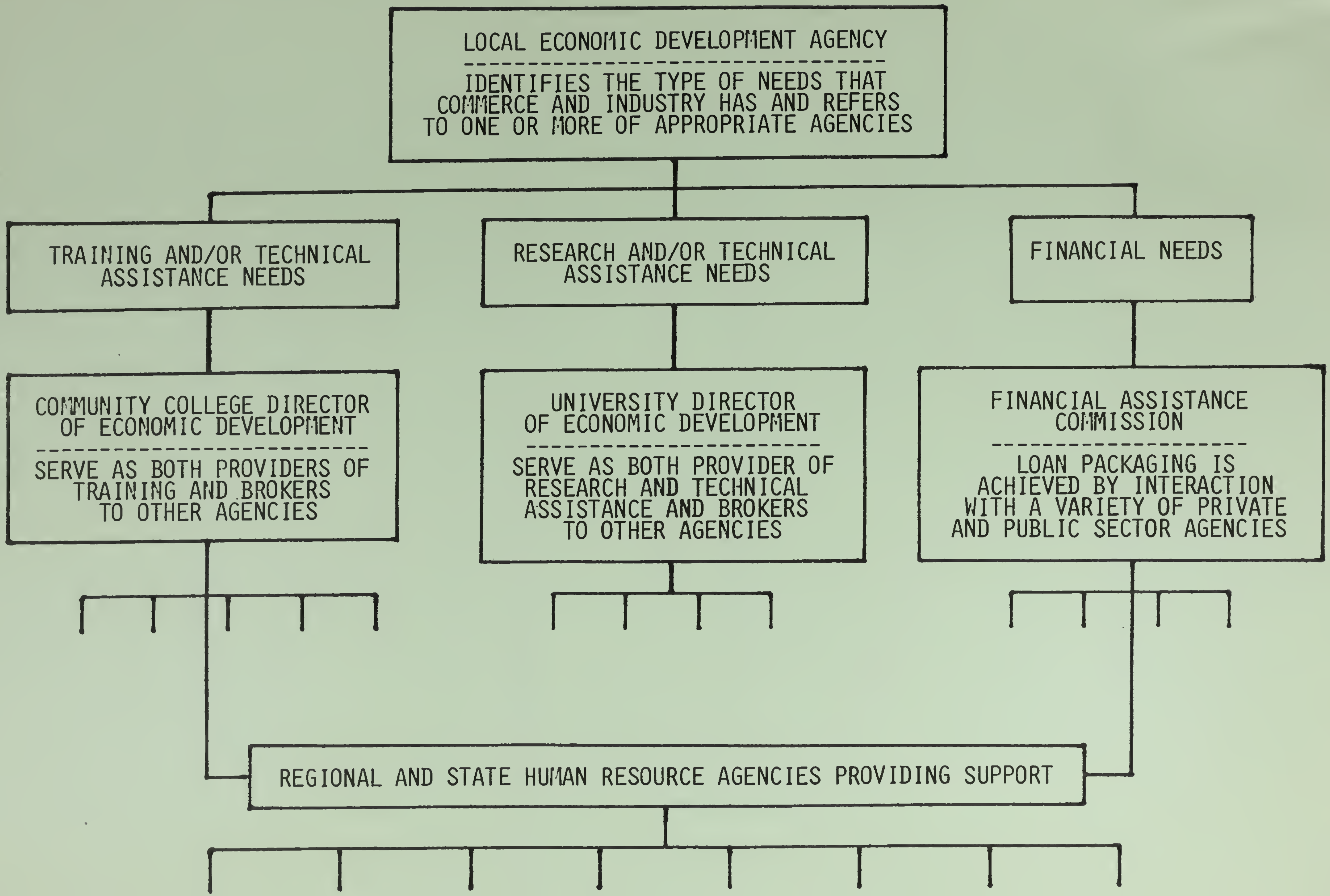
9. UNIVERSITIES MUST COMMIT A PORTION OF THEIR RESEARCH AND DEVELOPMENT CAPABILITIES TO ADDRESSING ECONOMIC DEVELOPMENT ISSUES AND CONCERNS.

EXHIBIT B

ROLE OF EDUCATION IN THE ECONOMIC DEVELOPMENT PROCESS


LOCAL ECONOMIC DEVELOPMENT AGENCY
IDENTIFIES THE TYPE OF NEEDS THAT COMMERCE AND INDUSTRY HAS AND REFERS TO ONE OR MORE OF APPROPRIATE AGENCIES.
TRAINING NEEDS
RESEARCH AND TECHNICAL ASSISTANCE NEEDS
FINANCIAL NEEDS
COMMUNITY COLLEGE DIRECTOR OF ECONOMIC DEVELOPMENT
SERVE AS BOTH PROVIDERS OF TRAINING AND BROKERS TO OTHER AGENCIES
UNIVERSITY DIRECTOR OF ECONOMIC DEVELOPMENT
SERVE AS BOTH PROVIDER OF RESEARCH AND TECHNICAL ASSISTANCE AND BROKERS TO OTHER AGENCIES
FINANCIAL ASSISTANCE COMMISSION
LOAN PACKAGING IS ACHIEVED BY INTERACTION WITH A VARIETY OF PRIVATE AND PUBLIC SECTOR AGENCIES
PRIVATE SCHOOLS
COMMERCE AND INDUSTRY
AREA VOCATIONAL CENTERS
SECONDARY SCHOOLS
MILITARY
FACULTY RESEARCH ASSISTANCE TO STATE
PRIVATE CONSULTING
SMALL BUSINESS ADMINISTRATION
COMMUNITY COLLEGES
PRIVATE FINANCIAL INSTITUTIONS
SMALL BUSINESS ADMINISTRATION
ILLINOIS DEPT. OF COMMERCE AND COMMUNITY AFFAIRS
LOCAL GOVERNMENT
REGIONAL AND STATE HUMAN RESOURCE AGENCIES PROVIDING SUPPORT
LABOR-MANAGEMENT COUNCILS
PRIVATE INDUSTRY COUNCIL
JOB PARTNERSHIP ACT LEGISLATION
ILLINOIS DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS
ILLINOIS JOB SERVICE
DEPARTMENT OF ADULT, VOCATIONAL AND TECHNICAL EDUCATION -
VOCATIONAL EDUCATION AND HIGH IMPACT TRAINING SERVICE LEGISLATION
STATE OF ILLINOIS ADVISORY COUNCIL ON VOCATIONAL EDUCATION
ILLINOIS EMPLOYMENT AND TRAINING COUNCIL
ILLINOIS BOARD OF HIGHER EDUCATION

- E. EDWARD HARRIS
FEBRUARY 1, 1983


LOCAL ECONOMIC DEVELOPMENT AGENCY
IDENTIFIES THE TYPE OF NEEDS THAT COMMERCE AND INDUSTRY HAS AND REFERS TO ONE OR MORE OF APPROPRIATE AGENCIES
TRAINING AND/OR TECHNICAL ASSISTANCE NEEDS
RESEARCH AND/OR TECHNICAL ASSISTANCE NEEDS
FINANCIAL NEEDS
COMMUNITY COLLEGE DIRECTOR OF ECONOMIC DEVELOPMENT
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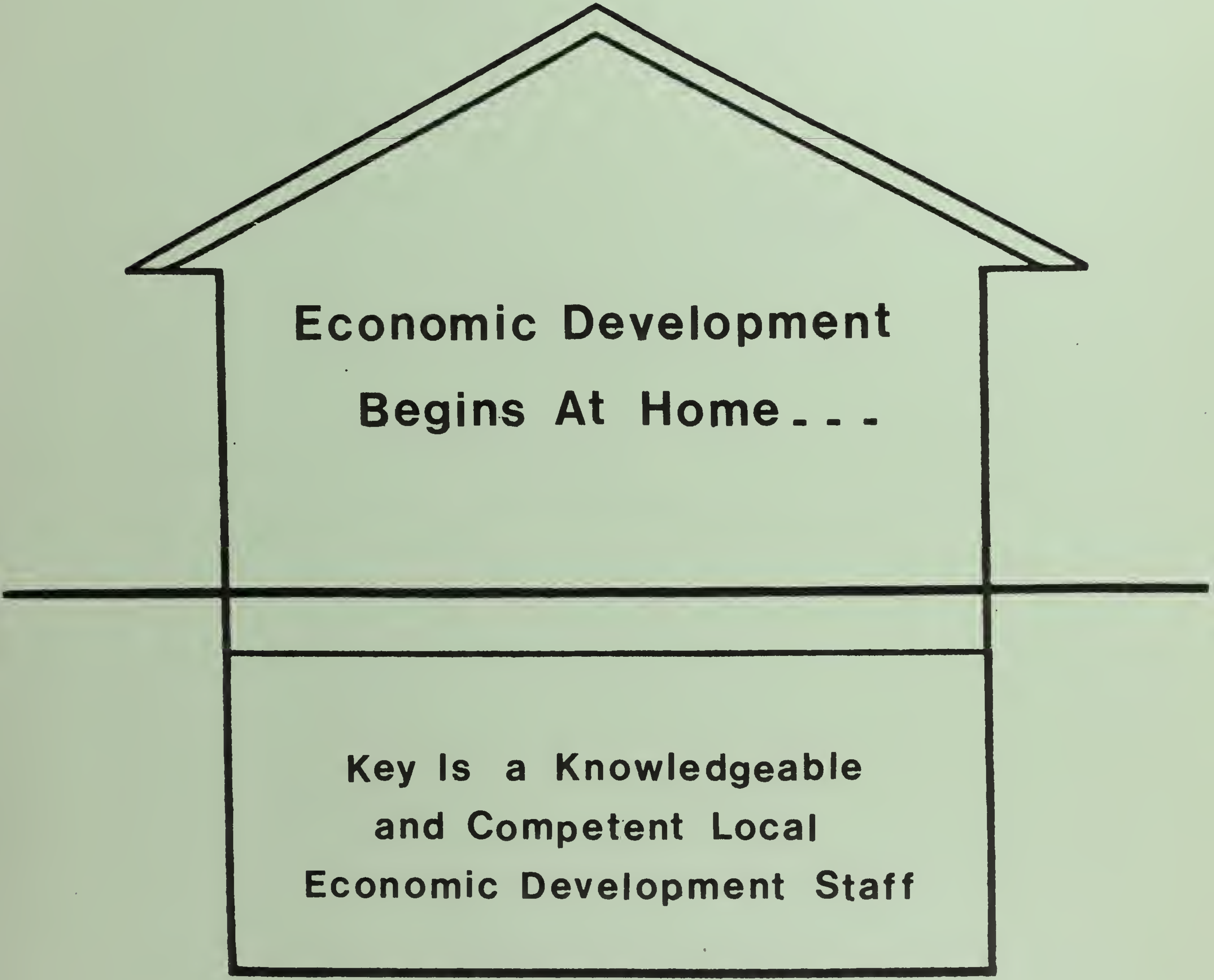
SERVE AS BOTH PROVIDER OF RESEARCH AND TECHNICAL ASSISTANCE AND BROKERS TO OTHER AGENCIES
FINANCIAL ASSISTANCE COMMISSION
LOAN PACKAGING IS ACHIEVED BY INTERACTION WITH A VARIETY OF PRIVATE AND PUBLIC SECTOR AGENCIES
REGIONAL AND STATE HUMAN RESOURCE AGENCIES PROVIDING SUPPORT

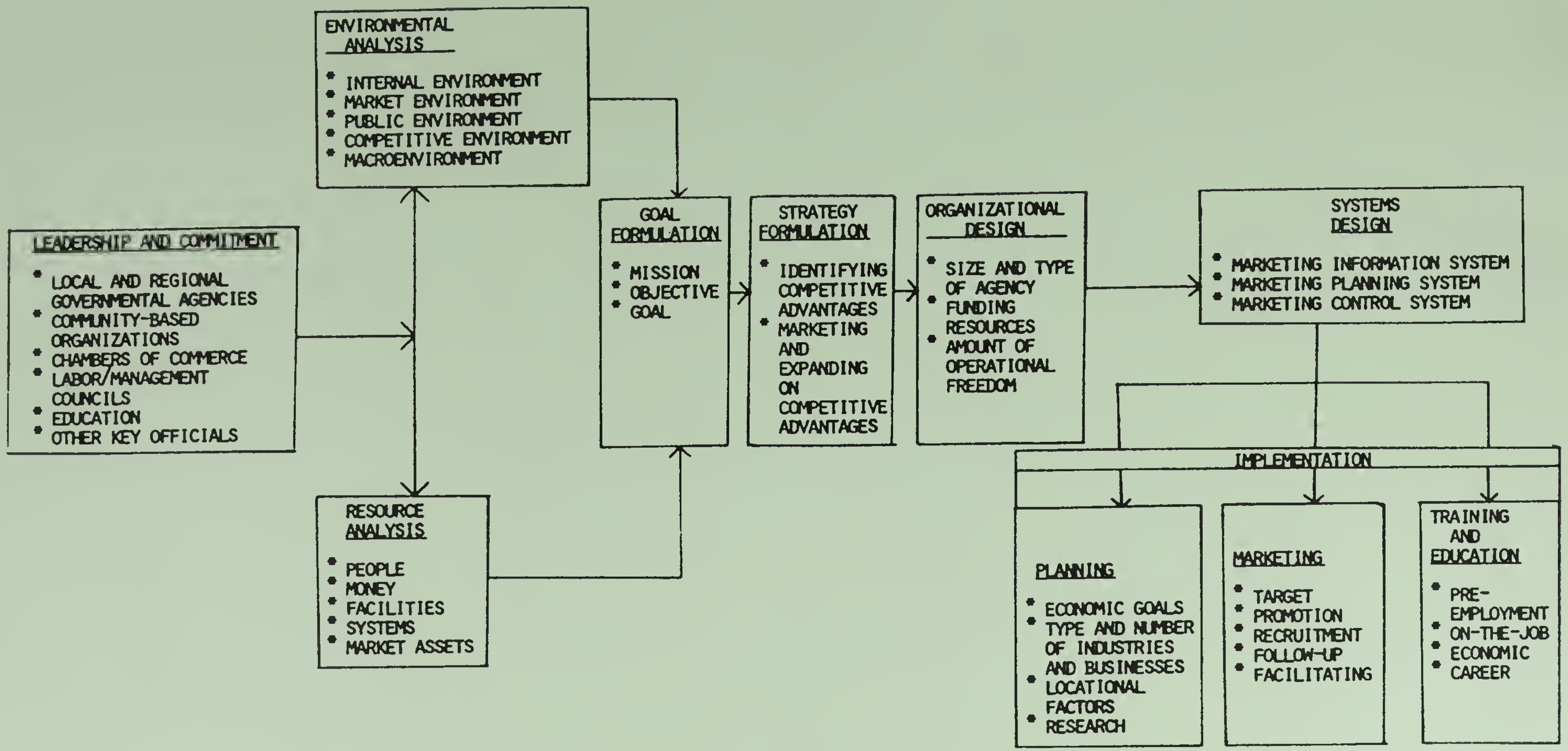
Model Based Upon Premise That . . .



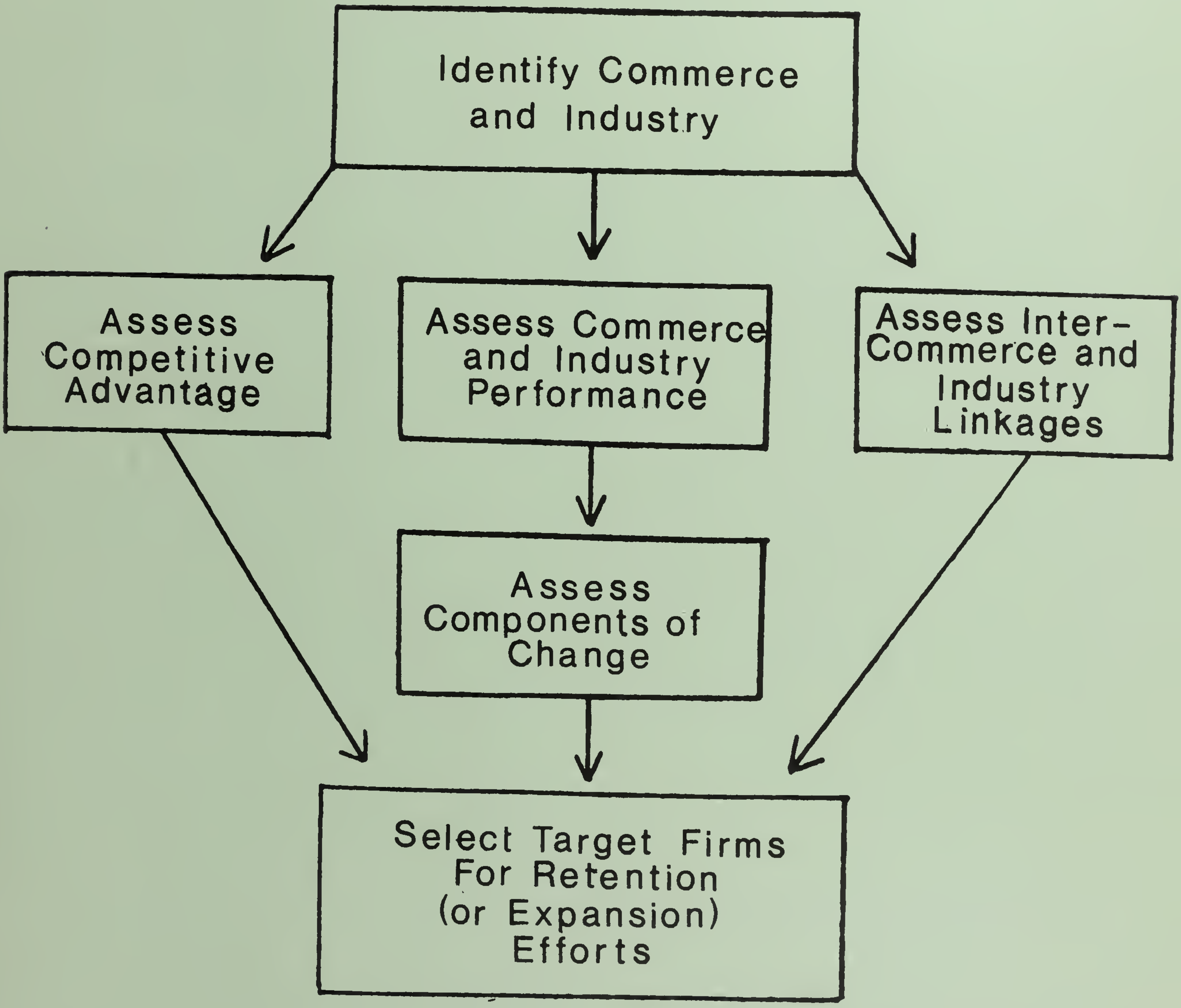
Economic Development
Begins At Home . . .

Key Is a Knowledgeable
and Competent Local
Economic Development Staff

An Organizational Plan for Economic Development
On Local and/or Regional Levels



TARGETING FOR COMMERCE AND INDUSTRY RETENTION PROGRAMS


Identify Commerce and Industry
Assess Competitive Advantage
Assess Commerce and Industry Performance
Assess Inter-Commerce and Industry Linkages
Assess Components of Change
Select Target Firms For Retention (or Expansion) Efforts

Local Economic Development Activities
Require Support and Assistance from

Educational Institutions
At All Levels
and
Regional and State
Human Resource Agencies
To....

ROLE OF PUBLIC ELEMENTARY AND SECONDARY SCHOOLS IN ECONOMIC DEVELOPMENT AS PERCEIVED BY SCHOOL ADMINISTRATORS

1. HELP STUDENTS IN CAREER DEVELOPMENT PROCESS

2. HELP STUDENTS AND TEACHERS TO ACQUIRE ECONOMIC LITERACY

3. HELP STUDENTS TO ACQUIRE SURVIVAL SKILLS SUCH AS PERSONAL-LIFE SKILLS, PERSONAL AND INTERPERSONAL RELATIONSHIPS, INFORMATIONAL SKILLS, RESOURCE MANAGEMENT, SOCIAL SYSTEM SKILLS, TECHNOLOGICAL LITERACY, SAFETY, ETC.

4. HELP STUDENTS TO ACQUIRE EMPLOYABILITY SKILLS--ENTRY LEVEL AND UPGRADING

5. INFORM AND SECURE SUPPORT OF ADMINISTRATORS WHO IN TURN WILL INFORM TEACHERS, STUDENTS, AND PARENTS OF THE IMPORTANCE OF ECONOMIC DEVELOPMENT TO A COMMUNITY

* 6. CREATE AN EFFECTIVE PUBLIC RELATIONS PROGRAM ON THE CONTRIBUTIONS OF EDUCATION TO THE "QUALITY OF LIFE" AND MARKET THIS PROGRAM TO CURRENT AND PROSPECTIVE BUSINESS EXECUTIVES AND THEIR FAMILIES

* 7. MAKE BUSINESS AND INDUSTRY PARTNERS IN EDUCATION BY ACHIEVING AN EFFECTIVE DIALOGUE WITH LEADERS IN BUSINESS AND INDUSTRY AND SECURE THEIR SUPPORT IN COMMUNICATING EDUCATIONAL ACCOMPLISHMENTS AND IN GAINING LEGISLATIVE SUPPORT

8. HELP STUDENTS ACQUIRE BASIC SKILLS

SPECIFIC EXAMPLES OF HOW COMMUNITY COLLEGES HELP IN THE ECONOMIC DEVELOPMENT PROCESS

- PROVIDING FULL-TIME ASSOCIATE DEGREE AND VOCATIONAL DIPLOMA PROGRAMS THAT ARE TECHNICALLY CURRENT AND IN DEMAND;
- PROVIDING IN-PLANT TRAINING FOR WORKERS ALREADY EMPLOYED BY EXISTING INDUSTRY;
- PROVIDING PRE-EMPLOYMENT TRAINING THAT IS CONDUCTED FOR PROSPECTIVE EMPLOYEES BEFORE A NEW PLANT OPENS OR AN EXISTING ONE EXPANDS OR RELOCATES;
- PROVIDING RETRAINING OF EMPLOYEES TO UPDATE THEM FOR CHANGES RESULTING FROM TECHNOLOGICAL INNOVATIONS;
- PROVIDING TRAINING PROGRAMS, COURSES, AND SEMINARS TO AID BUSINESS OWNERS/ MANAGERS IN THE MARKETPLACE;
- EXPANDING AND UPGRADING EMPLOYMENT OPPORTUNITIES BY PROVIDING TECHNICAL ASSISTANCE TO BUSINESS AND INDUSTRY;
- PROVIDING TRAINING AND SUPPORT SERVICES TO INVENTIVE, CREATIVE, AND/OR INNOVATIVE ENTREPRENEURS;
- MAKING THE EXISTING DATA BASE AVAILABLE FOR LOCAL BUSINESS AND INDUSTRY AS A CENTRAL SOURCE FOR REFERRALS AND ASSISTANCE

ROLE OF NORTHERN ILLINOIS UNIVERSITY IN ECONOMIC DEVELOPMENT

1. CONDUCT AND DISSEMINATE THE RESULTS OF A WIDE ARRAY OF RESEARCH AND DEVELOPMENT PROJECTS AND ACTIVITIES

2. CONDUCT EDUCATION AND TRAINING ACTIVITIES AT JOB LEVELS ABOVE THOSE NORMALLY ASSOCIATED WITH COMMUNITY COLLEGES AND SECONDARY SCHOOLS

* 3. HELP PROVIDE THREE LEVELS OF TRAINING AND EDUCATION FOR LOCAL, REGIONAL AND STATE ECONOMIC DEVELOPMENT PERSONNEL

4. MATCH THE RESEARCH AND TECHNICAL ASSISTANCE CAPABILITIES OF FACULTY AND STAFF WITH THE NEEDS OF BUSINESS AND INDUSTRY

5. HELP MAKE AVAILABLE THE STAFF AND FACILITIES OF THE UNIVERSITY TO SERVE THE NEEDS OF BUSINESS AND INDUSTRY ON A COST RECOVERY BASIS

6. IDENTIFY AND DISSEMINATE THE TRAINING, EDUCATION AND FACILITY CAPABILITIES OF BOTH PRIVATE AND PUBLIC SECTOR THAT COULD BE MADE AVAILABLE IN MEETING THE HUMAN RESOURCE NEEDS OF BUSINESS AND INDUSTRY

* 7. EXPLORE INNOVATIVE COST-SHARING STRATEGIES BETWEEN AND AMONG PRIVATE AND PUBLIC SECTOR AGENCIES WITH TRAINING, EDUCATION AND RESEARCH CAPABILITIES

8. CONDUCT AND DISSEMINATE LABOR MARKET DATA AND TRAIN ECONOMIC DEVELOPMENT AND OTHER PERSONNEL IN HOW TO UTILIZE

* 9. PROVIDE QUARTERLY REGIONAL ECONOMIC FORECASTING DATA AND CONDUCT TRAINING IN HOW TO UTILIZE

* 10. PROVIDE TRAINING FOR EDUCATORS ON HOW TO "MARKET" THEIR SERVICES

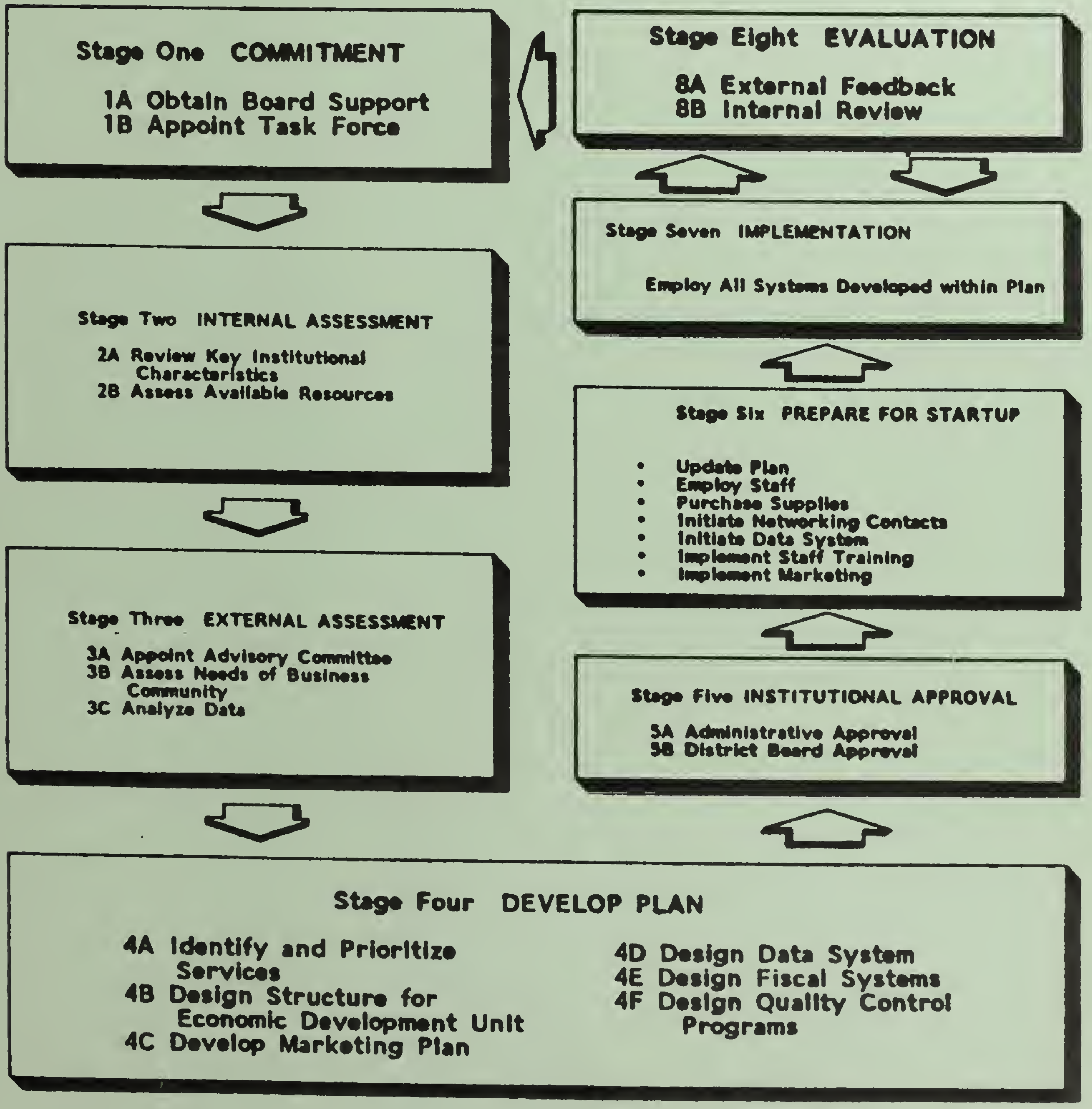
11. HELP PROVIDE THE TEACHER EDUCATORS AND TECHNICAL ASSISTANCE TRAINING AND EDUCATION DESIRED BY PUBLIC SCHOOLS AND COMMUNITY COLLEGES IN AREAS SUCH AS ECONOMIC EDUCATION, CAREER EDUCATION, VOCATIONAL EDUCATION AND IN HELPING TO RETAIN AND SECURE BUSINESS AND INDUSTRY

12. EXPLORE INNOVATIVE STRATEGIES AND DELIVERY SYSTEMS FOR SERVING THE CUSTOMIZED TRAINING AND TECHNICAL ASSISTANCE NEEDS OF BUSINESS AND INDUSTRY--FRATS, LINDA HALL LIBRARY, BEAMED SATELLITE TRAINING PROGRAMS

13. CO-SPONSOR AND CONDUCT SEMINARS AND CONFERENCES THAT WOULD ASSIST IN FOSTERING ECONOMIC DEVELOPMENT IN THE REGION

* 14. DESIGN AND IMPLEMENT AN ADMINISTRATIVELY-EFFECTIVE "MODEL" ON A REGIONAL BASIS THAT WILL ALLOW FOR THE MANAGEABLE COORDINATION OF A LARGE NUMBER OF ACTIVITIES AND AGENCIES INVOLVED IN ECONOMIC DEVELOPMENT

AN ORGANIZATIONAL PLAN FOR EDUCATIONAL INSTITUTIONS IN ECONOMIC DEVELOPMENT



Stage One COMMITMENT

1A Obtain Board Support
1B Appoint Task Force

Stage Two INTERNAL ASSESSMENT

2A Review Key Institutional Characteristics
2B Assess Available Resources

Stage Three EXTERNAL ASSESSMENT

3A Appoint Advisory Committee
3B Assess Needs of Business Community
3C Analyze Data

Stage Four DEVELOP PLAN

4A Identify and Prioritize Services
4B Design Structure for Economic Development Unit
4C Develop Marketing Plan
4D Design Data System
4E Design Fiscal Systems
4F Design Quality Control Programs

Stage Five INSTITUTIONAL APPROVAL

5A Administrative Approval
5B District Board Approval

Stage Six PREPARE FOR STARTUP

- Update Plan
- Employ Staff
- Purchase Supplies
- Initiate Networking Contacts
- Initiate Data System
- Implement Staff Training
- Implement Marketing

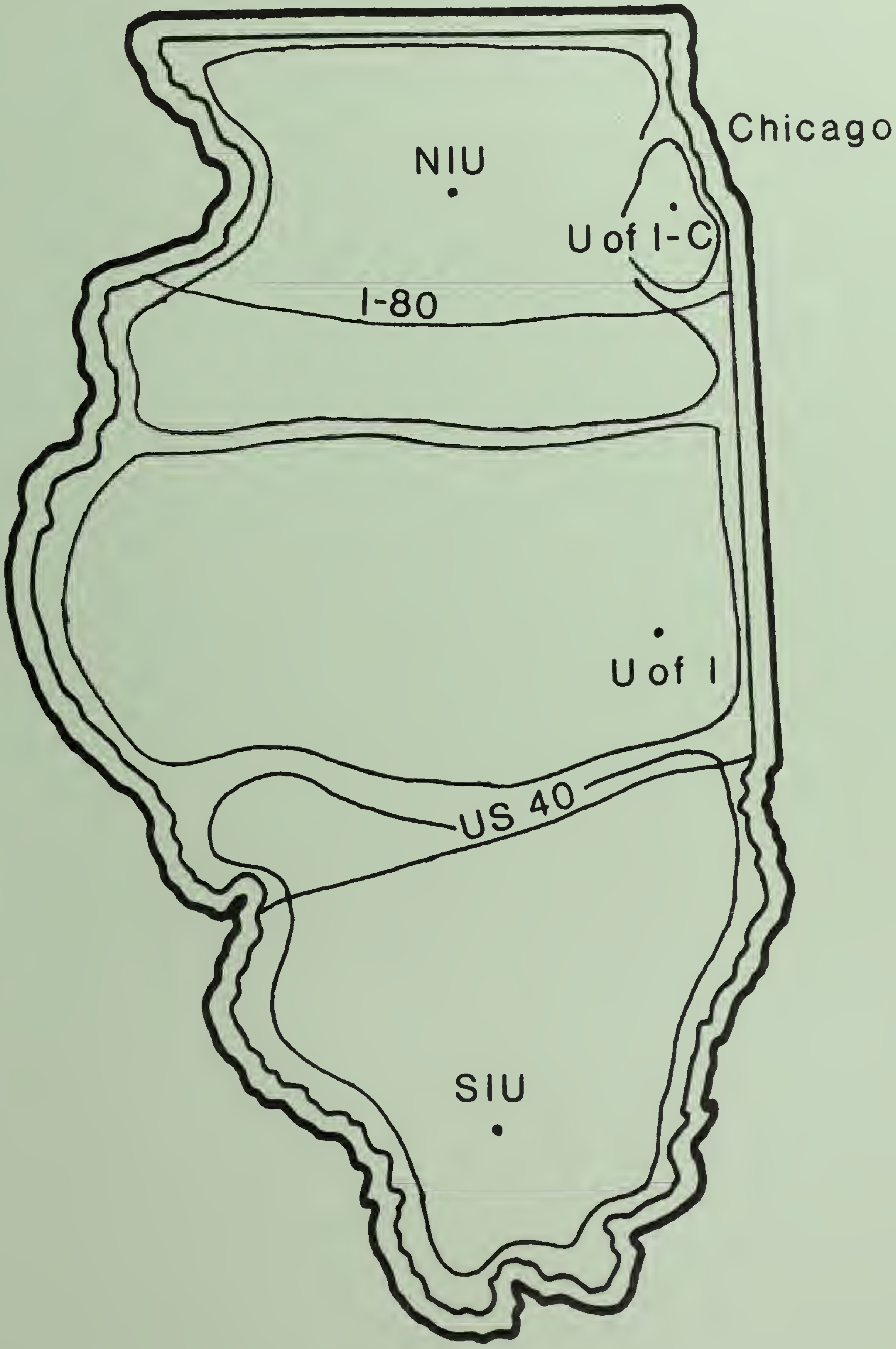
Stage Seven IMPLEMENTATION

Employ All Systems Developed within Plan

Stage Eight EVALUATION

8A External Feedback
8B Internal Review

Keys To Plan Are The Research And Development Capabilities of Universities And Training And Technical Assistance Abilities of Community Colleges



Productivity
Is the Problem. . .

Lagging Productivity

Results in

Sluggish Economy

- Inflation
- Unemployment
- Lessening Standard of Living
- Inability to Compete Internationally

Human resource development is equal to or exceeds the value of technological advancement in past economic growth.

Since 1972, the United States has slipped from second to seventh place in the percent of skilled workers in the work force.

Growth in real wages almost exactly follows the rate of growth in productivity.

RECOMMENDATIONS

Invest in
Human Capital
&
High Technology

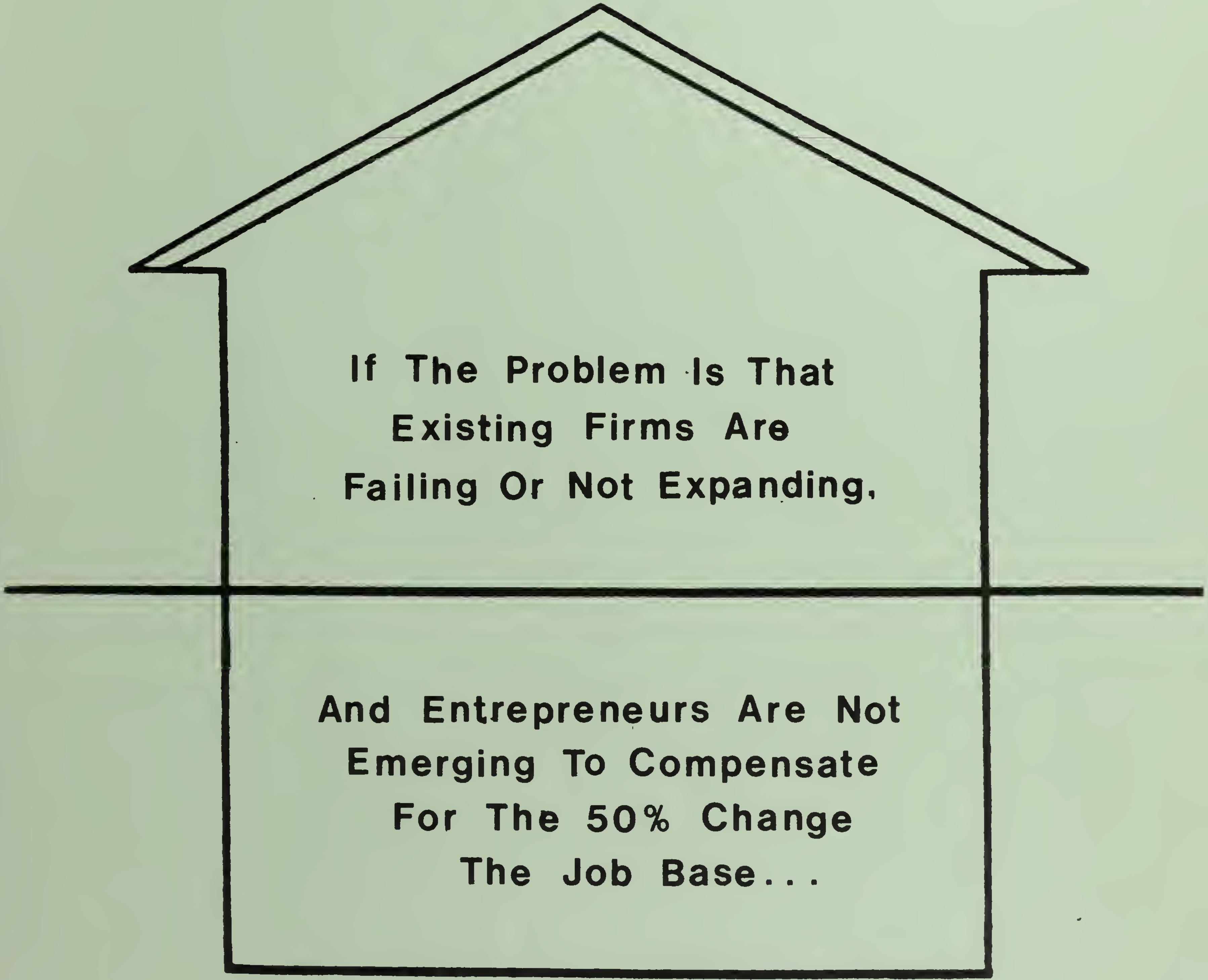
↓ Results in

Higher
Productivity

↓ Results in

Healthier
Economy

There must be a focus on
improving both the
human and technical capital
of the business sector.



If The Problem Is That
Existing Firms Are
Failing Or Not Expanding,

And Entrepreneurs Are Not
Emerging To Compensate
For The 50% Change
The Job Base...

REASONS FOR BUSINESS FAILURE

1. Lack of experience
2. Lack of capital
3. Poor location
4. Too much inventory, particularly the wrong kind
5. Excessive purchase of permanent equipment
6. Poor credit-granting practices
7. Unwarranted personal expenses
8. Unplanned expansion
9. Faulty attitudes
10. Heavy expenses
11. Poor collections
12. Inadequate sales
13. Incorrect inventory management
14. Competitive weakness

RECOMMENDATION

ESTABLISH A U. S. SMALL BUSINESS DEVELOPMENT CENTER TO:

* SERVE AS ONE OF SEVERAL AREA CONTACT POINTS FOR SMALL BUSINESS OWNERS AND MANAGERS SEEKING ASSISTANCE;

* PROVIDE AND COORDINATE A RANGE OF INSTRUCTIONAL AND CONSULTATION SERVICES FOR AREA BUSINESS, INCLUDING PRE-BUSINESS CONSULTING AND COURSES, MANAGEMENT DEVELOPMENT SEMINARS AND WORKSHOPS, SELF-INSTRUCTIONAL PACKAGES, GROUP AND INDIVIDUAL PROBLEM SOLVING SESSIONS, AS WELL AS ON-SITE CONSULTING;

* SERVE AS AN EDUCATIONAL CLEARING HOUSE THAT WILL IDENTIFY, COLLECT, AND MAINTAIN A VARIETY OF PRINT RESOURCES USEFUL TO THE SMALL BUSINESS OWNER OR MANAGER, INCLUDING SELF-HELP MATERIALS, SBA PAMPHLETS, GOVERNMENT PUBLICATIONS, ETC.;

* DEVELOP AND MAINTAIN A COMPREHENSIVE LIST AND DESCRIPTION OF RESOURCES AVAILABLE WITHIN THE AREA TO ASSIST SMALL BUSINESS PERSONS;

* MAINTAIN ADEQUATE PHYSICAL FACILITIES TO SUPPORT INDIVIDUAL CONSELING, GROUP MEETINGS, CONFERENCES, AND WORKSHOPS.

NINETEEN OTHER STATES HAVE ONE . . . WHY NOT ILLINOIS?

RECOMMENDATIONS

* CREATE A FAVORABLE BUSINESS CLIMATE THROUGH BROAD COMMUNITY SUPPORT AND UNDERSTANDING

* FORM INDUSTRY-LABOR-EDUCATION-COMMUNITY COLLABORATIVE COUNCILS

* ENGAGE IN LABOR-MANAGEMENT DIALOGUE

* CONDUCT EDUCATION AND TRAINING

* ENCOURAGE LEGISLATIVE ACTION -- LOCAL, REGIONAL, AND STATE LEVELS

MAJOR PROJECT ACTIVITIES

1. Conduct program to train educators how to design and market their programs for commerce and industry.
2. Conduct research on the role of education in Economic Development with emphasis on Community Colleges and Universities.
3. Cooperative Projects between Northern Illinois University and Community Colleges.
4. Establish an Economic Development Task force
   a. Joint programs Education/Commerce/Industry
   b. Cooperative programs
   c. Higher Education and Small Business Cooperation
   d. Curriculum Development
5. Create and conduct programs for training local Economic Development Personnel.
6. Conduct focus group research to determine needs of local economic development agencies.
7. Provide Marketing Research Assistance to aid five communities determining competitive advantages.
8. Conduct 4 Marketing seminars to improve economic conditions.
9. Help establish Small Business Development Center.
10. Develop and Submit Additional Proposals
    a. Model for forecasting business success/failure
    b. Forecasting on a quarterly basis
    c. Micro-computer software package
    d. Needs of older workers and pre-retirement training
11. Institutionalize Presidential Economic Commission for Economic Development
    a. Computerized faculty research and technical assistance
    b. Master plan for region
12. Graduate Programs in Economic Development.
13. Community Technical Assistance.
14. Work with the Department of Commerce and Community Affiars to "Package Loans" and improve financing proces.
15. Hold Annual Economic Development Symposiums for Decision-Makers.
16. Work with the Illinois Commission for Economic Development to improve conditions for Commerce/Industry.
17. Recommend to the Illinois Board of Higher Education the creation of the additional Communi-University Based Regional Centers.
18. Train three Universities to become Regional Economic Development Centers.
19. Project Director and Staff serve as Consultants.

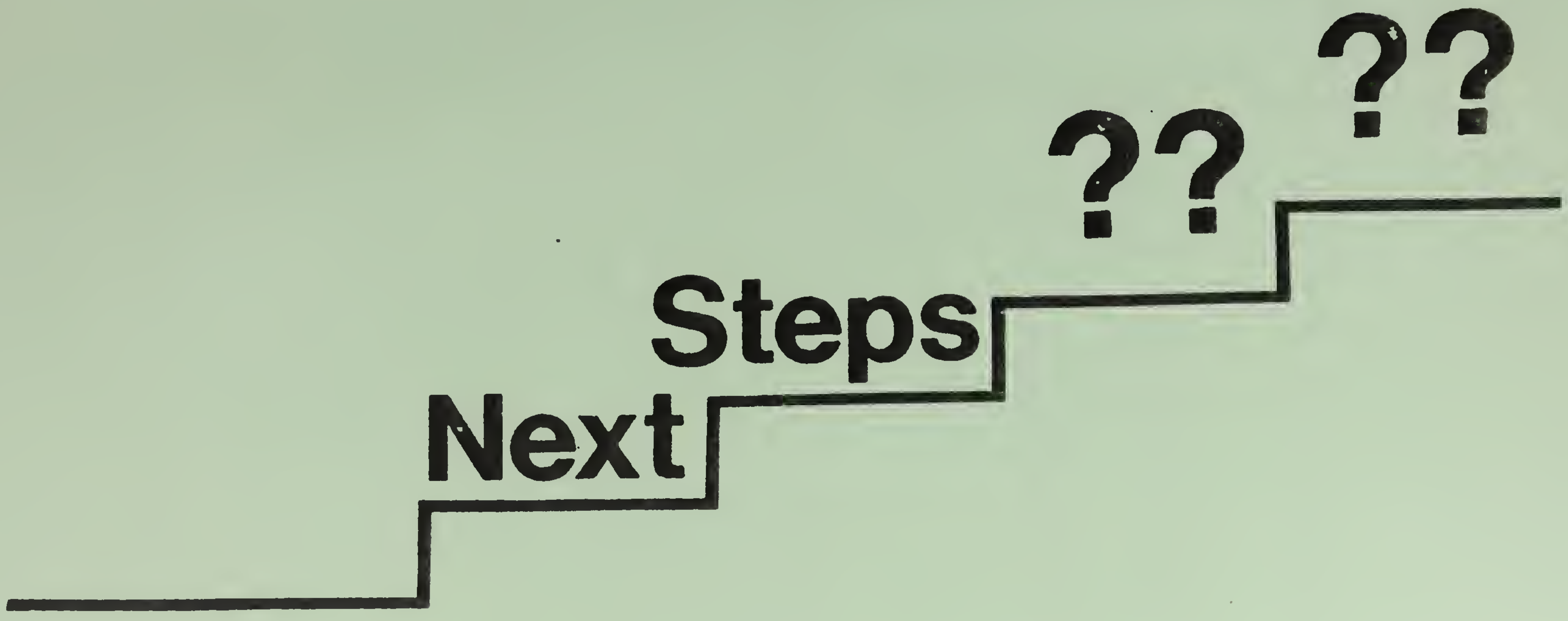

Next
Steps
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TABLE OF CONTENTS

COMPONENTS OF MARKETING PLAN

INDUSTRY-EDUCATION-LABOR COLLABORATION PROJECT -- Report Summary

REPRINT FROM MARKETING MANAGEMENT -- Chapter 2: The Planning Process

VOCATIONAL EDUCATION -- ITS ROLE IN ECONOMIC DEVELOPMENT & HIGH TECHNOLOGY

ILLINOIS EMPLOYMENT AND TRAINING COUNCIL AND THE STATE ADVISORY COUNCIL ON VOCATIONAL EDUCATION PUBLIC HEARING (November 16, 1982)

IF PRODUCTIVITY IS THE PROBLEM...

ECONOMIC AND HUMAN RESOURCE DEVELOPMENT REQUIRES COOPERATION OF EDUCATION AT ALL LEVELS, HUMAN RESOURCE AGENCIES, AND ECONOMIC DEVELOPMENT AGENCIES (Exhibit C)

KEY TO STATE OF ILLINOIS PLAN FOR ECONOMIC DEVELOPMENT IS FOUR UNIVERSITY-BASED CENTERS SERVING REGIONS OF STATE (An Economic Development Model)

ORGANIZING FOR ECONOMIC DEVELOPMENT

ECONOMIC DEVELOPMENT CORRESPONDENCE

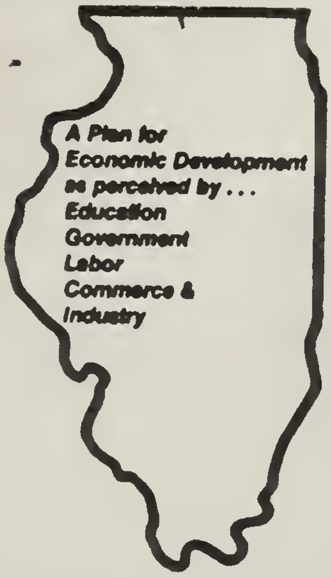
THE ECONOMIC DEVELOPMENT OPPORTUNITY -- A Guide for Building VTAE District-Community Partnerships for Economic Development

WAUBONSEE COMMUNITY COLLEGE: BUSINESS & INDUSTRY INSTITUTE SERVICES

STEPHENSON AREA CAREER CENTER: Informational Brochure

A PLAN FOR ECONOMIC DEVELOPMENT IN THE STATE OF ILLINOIS -- AN EDUCATOR'S PERSPECTIVE

A PLAN FOR ECONOMIC DEVELOPMENT AS PERCEIVED BY...


A Plan for Economic Development as perceived by . . .
Education
Government
Labor
Commerce & Industry

Final

An Economic Development Conference

A Symposium for Decision Makers
May 19, 1983
Holmes Student Center
DeKalb, Illinois

9:15 a.m. -	WELCOME AND OVERVIEW James D. Benson, Dean, College of Business E. Edward Harris, Director, Office of Business Outreach, College of Business	Regency Room
9:30 a.m. -	KEYNOTE ADDRESS "A Call for Cooperation", James A. Anderson, Executive Director, IL Commission for Economic Development	Regency Room
10:15 a.m. -	PLANS FOR ECONOMIC DEVELOPMENT BY HUMAN RESOURCE AGENCIES AT THE STATE LEVEL IL Board of Higher Education, John Huther, Deputy Director IL Community College Board, David Pierce, Executive Director IL Department of Commerce & Community Affairs George Dinges, Deputy Director IL State Board of Education Lonnie Hart, Manager of Special Programs State of Illinois Advisory Council for Vocational Education, Peter L. Johnson, Executive Director	Regency Room
Noon -	PLANS FOR ECONOMIC DEVELOPMENT BY THE U.S. SMALL BUSINESS ADMINISTRATION James N. Thomson, Associate Administrator for Management Assistance, Washington, D.C.	Regency Room
12:30 p.m. -	LUNCHEON AND PRESENTATION INTRODUCTION OF SPEAKER Greg Sparrow, Mayor, City of DeKalb "STATE PLAN FOR ECONOMIC DEVELOPMENT" GEORGE H. RYAN, LIEUTENANT GOVERNOR, STATE OF ILLINOIS	Duke Ellington Ballroom

1:30 p.m. - LOCAL AND REGIONAL PLANS FOR ECONOMIC DEVELOPMENT AND STATE LEVEL SUPPORT SERVICES (MOST SESSIONS ARE REPEATED)

1:30 p.m. - CONCURRENT SESSIONS I — Capitol (South)
2:15 p.m.
A. COMMUNITY AGENCIES
Emil Jason, Chairman, Economic Development Commission East St. Louis
Jerry Veach, District Manager, Economic Development, Illinois Bell
B. CHAMBER OF COMMERCE AND CITY GOVERNMENT — Capitol (North)
M. Edward Kelly Executive Director, Elgin Chamber of Commerce
Greg Sparrow, Mayor, City of DeKalb
C. ESTABLISHED SUBURBAN AREA COMMUNITY COLLEGES — Regency Room
Linda Hartwig, Director of Economic Development, Moraine Valley Community College
Stan Douglas, Director, Industry-Education Council, Triton Community College
David Kozlowski, Associate Vice President, Triton Community College
D. LABOR--AFL/CIO — Illinois Room
Ron Morehead, Illinois AFL/CIO
E. COMMERCE AND INDUSTRY — Heritage (Nort
Jack Sheehan, District Manager, Economic Development, Illinois Bell
Paul Werther, District Manager, Commonwealth Edison
F. AREA VOCATIONAL CENTER AND SECONDARY SCHOOL — Heritage (Sout
Joel Scheider, Stephenson Area Career Center, Freeport
Tom Boldrey, Project Director, Lockport High School

2:15 p.m. - CONCURRENT SESSION 2 — Capitol (South)
3:00 p.m.
C. ESTABLISHED SUBURBAN AREA COMMUNITY COLLEGES
Repeat of 1:30 p.m. presentation
E. COMMERCE AND INDUSTRY — Capitol (North)
Repeat of 1:30 p.m. presentation
G. UNIVERSITY — Regency Room
"A Communi-University Based Regional and State Plan for Economic Development--
"Marketing Strategy Approach", E. Edward Harris
H. SUPPORTIVE SERVICES FOR ECONOMIC DEVELOPMENT — Illinois Room
Robert Sheets, Director, IL Labor Market Service
Jan Staggs, Director, IL Occupational Information Coordinating Committee
I. EMERGING COMMUNITY COLLEGE PROGRAMS — Heritage (Nort
Russell Hamm, Assistant Dean, College of Lake County
Donald Foster, Dean of Instruction, Sauk Valley Community College
F. AREA VOCATIONAL CENTER AND SECONDARY SCHOOL — Heritage (Sout
Repeat of 1:30 p.m. presentation

3:00 p.m. - REFRESHMENT BREAK — Regency Room

A Plan for
Economic Development
as perceived by . . .
Education
Government
Labor
Commerce &
Industry

An Economic Development Conference

A Symposium for Decision Makers
May 19, 1983
Holmes Student Center
DeKalb, Illinois

3:15 p.m. -	CONCURRENT SESSION #3	
	I. EMERGING COMMUNITY COLLEGE PROGRAMS Repeat of 2:15 p.m. presentation	Capitol (South)
	D. LABOR--AFL/CIO Repeat of 1:30 p.m. presentation	Capitol (North)
	J. UNIVERSITY Ted Grossnickle, Coordinator of Corporate Relations, Research and Technical Assistance, NIU	Regency Room
	H. SUPPORTIVE SERVICES FOR ECONOMIC DEVELOPMENT Repeat of 2:15 p.m. presentation	Illinois Room
	E. CHAMBER OF COMMERCE Repeat of 1:30 presentation	Heritage Room
	A. COMMUNITY AGENCIES Repeat of 1:30 p.m. presentation	Heritage (South)
4:00 p.m. -	GENERAL SESSION "New Financing Incentives to Promote Economic Development in Illinois"--A Proposal by House Speaker, Michael Madigan Don Eslick, Member of Speaker Madigan's staff	Regency Room
4:15 p.m. -	WHERE DO WE GO FROM HERE? A PANEL PRESENTATION Moderator: E. Edward Harris James Anderson, Commission for Economic Development George Dinges, IL Department of Commerce and Community Affairs Lonnie Hart, IL State Board of Education John Huther, IL Board of Higher Education Norman Jenkins, President, Kishwaukee College Pete Johnson, State of IL Council on Adult Vocational and Technical Education M. Edward Kelly, Elgin Chamber of Commerce Ron Morehead, AFL/CIO and Member State of IL Advisory Council on Adult, Vocational and Technical Education Jack Sheehan, IL Bell and Co-Founder of Friends for Small Business	Regency Room
5:00 p.m. -	ADJOURNMENT	

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Black Hawk College

I. Situation Analysis - Diagnosis

A. Mission - general statement given, but should show more direction of Black Hawk College. Too much emphasis given on "general area wherein the college may operate."

B. Objectives - lack of specifying exact objectives. They should be detailed and include mention of desired outcomes. (quantifiable, if possible)

C. Strategies - none given. Strategies must accompany objectives.

D. Macroenvironment - properly stated, although the first factor - "Past success of the college..." - is a questionable factor here.

E. Customers - covered in marketing plan, but in fairly vague terms. Details are necessary - demographics.

F. Faculty - well defined. Diversity exists within the department which appears to be a strength.

G. Facilities/Equipment - covered adequately in the marketing plan. More detail could be given.

H. Credibility - defined generally, but lacks specifics.

II. Environmental Analysis of Opportunities

A. Identification of New Product Opportunities
- Three concise examples given through executive experience, competition, and environmental scanning. These examples are covered well, but generalizations of new product opportunities should be listed.

B. Target Market Selection - None. What types of industries is Black Hawk aiming to serve? Details and characteristics needed.

III. Statement of Marketing Objectives

- Lack of discussion of overall marketing objectives. Statement limited to one of the product opportunities - although evaluation date and results desired are presented. This area should include emphasis on other marketing objectives, such as for products and services offered for existing and new markets. Specifics are important here.

IV. How to Reach Objectives: The Marketing Mix

- Problem exists in this area. Rather than defining the marketing mix variables for a specific product, this section should define the characteristics to be found in the marketing mix variables for the products/services Black Hawk offers as a whole. Generalizations

need to be made here with regards to the marketing mix variables and how they will assist in reaching the objectives. Listing the characteristics under each variable might help.

V. Tactics

- Appears marketing mix variables and tactics are being intertwined together - this cannot be done. Tactics should assist Black Hawk in implementing chosen strategies. (e.g. - What media do we use to promote Black Hawk College)

VI. Controls

- General statement given is not enough. There should be figures stated to compare results to. Budget figures should also be acknowledged in the marketing plan.

North Chicago Community High School

Adult Evening School

I. Situation Analysis - Diagnosis

A. College Mission - The mission given of "...extensive range of educational opportunities from academic achievement to vocational training:", is too broad--it should point to the direction which North Chicago is moving.

B. Objectives - listing of institutional objectives is very limited. North Chicago's program should consist of a number of institutional objectives.

C. Strategies - No strategies are given to obtain your objectives. Marketing plan must include strategies.

D. Macroenvironment - limited discussion pertains to the effect of competition. Other external factors should be discussed here.

E. Customers - brief discussion of North Chicago's current customers is necessary. Who are they? Characteristics.

F. Faculty - there are no comments about this topic in marketing plan. Should list strengths/weaknesses of the faculty.

G. Facilities - none. Brief discussion is necessary.

H. Equipment - none. Brief discussion is necessary.

I. Credibility - none. What makes North Chicago a credible learning institution - accreditations, etc.

II. Environmental Analysis of Opportunities

A. Identify New Product Opportunities:
- This topic was completely overlooked in the marketing plan. It is important to offer consumers the products they want (customer-orientation). Environmental scanning, committees, customers, competitors are all possible channels for new product opportunities.

B. Target Market Selection - Thoroughly covered in marketing plan.

III. Statement of Marketing Objectives:

- "Objective Action Steps" qualify as statements of Marketing Objectives. These objectives should include the evaluation date.

IV. How to Reach Objectives; Marketing Mix Variables

- There is no mention, whatsoever, of the marketing mix variables and how they would assist in obtaining the proposed objectives. Each of the four variables should be discussed and a detailed list should be included with each variable.

V. Tactics

None mentioned in marketing plan. What are the specifics of successfully accomplishing each of these marketing mix variables. (e.g. What media will be used in promotion?)

VI. Controls

None listed. Figures must be stated to compare results to desired outcomes. Budget figures should also be listed here.

Comments on the Marketing Plan of College of Lake County

College Mission

This is not adequate. Do you want to be a leader in economic development in your geographic area? The statement should indicate how your distinctive competency is appropriate for the unfilled need in the market place. The statement should provide a direction for the development of future programs in economic development.

Objectives

Should be precise and quantitative. How much enrollment, revenue or market share do you expect?

Target Market

A good marketing plan requires a thorough analysis of the target market. This has not been done. Procurement of Dun & Bradstreet data should be the beginning of an extensive investigation of the target market. You have made a good start in selecting the industries.

Internal Assessment

I assume you have done an adequate assessment of your institution's resources and capabilities for the target market. It is not evident from the marketing plan outline.

Marketing Strategy

You also have made a good start here. Many key variables of the marketing mix have been identified but it is not clear as to how they come together to form a comprehensive marketing strategy. More work is needed.

Budgets, etc.

These are missing.

Overall Assessment

The marketing plan outline you have developed represents a good start, however, a great deal of work is still ahead. Details on budgets, strategies, tactics, and controls are missing.

Highland Community College

I. Situation Analysis - Diagnosis

A. College Mission - Well defined. Gives a general overview of direction in which Highland is moving.

B. Objectives - Thorough listing of objectives. Covers all facets of the institution.

C. Strategies - Recruitment and retention of students is well defined, but Economic Development is an uncontrollable factor and is questionable as a strategy.

D. Macroenvironment - Covers and discusses the essential elements of the environment.

E. Customers - Very well done. Includes statistics and breakdowns of characteristics. Project's trends. Also looks at customer attitudes and analyzes them to form conclusions.

F. Faculty - Good discussion. Covers experience, strengths, salaries, and benefits. Faculty development and their role in recruitment is also discussed.

G. Facilities - Extensive description of college facilities is given in detail. Well done.

H. Equipment - Detail is lacking here. What type of equipment does Highland have to offer? Computers?

I. Credibility - Complete. Many sources of credibility are listed.

II. Environmental Analysis of New Opportunities

A. New Product Opportunities
- Acknowledged and discussed in marketing plan. Assistance provided by local business and community leaders, and a survey commissioned by the Freeport Journal-Standard both prove to be very helpful here. Weakness in new products committee - listed are current programs presently offered. Under this title should be proposed programs not yet in existence.

B. Target Market Selection
- This area is too general. Specifics must be pointed out here. Should include characteristics of target market.

III. Statement of Marketing Objectives

- Well done. Includes proposed dates of completion. "Results-oriented".

IV. How to Reach Objectives: Marketing Mix

- Acceptable amount of detail is given in regards to each of the marketing mix variables.

V. Tactics

- Tactics compliment marketing mix variables well.

VI. Controls

- General statement given is not enough. Figures must be stated in order to compare results on a before and after basis. In addition, budget figures should be included under the heading of control.

Situation Analysis - Diagnosis

As a community college, Black Hawk's mission includes a wide variety of services to very diverse segments of the local population. As such, the college's mission statement does not really serve to focus the college's energies and resources as much as define a rather general area wherein the college may operate. Priorities among the range of allowable activities are established in two basic ways. First, historical precedents tend to impact present activities. Second, the college annually proposes to the Board of Trustees Developmental Institutional objectives. From both sources, there is evidence that service to area businesses and industries is part of the institution's growth strategy.

For years, Black Hawk College has been offering courses of interest to local businesses. At times, these courses have been specially structured to meet a particular industry need and, at times, the courses have been offered on-site. Initiative for these efforts has been at the program, department, and sometimes, at the instructor's level. Responding to business and industry needs has been a strong and almost continuous activity within the history of Black Hawk College.

The notion of service to area business is also supported within the institutional objectives. Within the 1982-83 objectives is the statement:

> "Assess the feasibility of establishing
> Business institutes on campus."

Service to business is among the priorities of the college.

The macro-environment seems right for such involvement. This assessment is based upon a number of factors. First, the past sucess of the college in service to businesses speaks of a need for continuation. Second, local conditions at the present time are rather depressed and thus the margin of error for businesses has evaporated. Local businesses need ways to improve productivity, improve services, develop new products, and develop new

utilized almost to capacity in the mornings and evenings. Also, in some areas, equipment is not a state of the art but rather equipment which has been phased-out and donated by local industry. In the past, a solution to the facilities and equipment problem was to provide on-site training where possible. Recently there have been some facility and equipment developments. There exist a number of computer laboratories, some equipped with both micro-computers and terminals for the mainframe.

Evidence of perceived effectiveness and credibility may be found in the long-term working relationships of certain departments in the community and the continued request for educational services.

Environmental Analysis of Opportunities

Through various means, a number of product opportunities have been identified.

1. Listening to an executive of a large insurance corporation speaking on the needs of his firm, a number of product opportunities were identified. His point was, with all the technology available to assist clerical workers, they were becoming powerful (capable of a large volume of work). With this increased work potential, there was an even greater need for basic grammar, punctuation and proofreading skills.

2. In communicating with other communtiy colleges, the idea of offering on-site seminars to mall merchants before store hours was developed. Talking with local mall representatives, it appears that there is an interest in this product, at least in the mall office.

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2. In communicating with other communtiy colleges, the idea of offering on-site seminars to mall merchants before store hours was developed. Talking with local mall representatives, it appears that there is an interest in this product, at least in the mall office.

3. With the expansion of micro-computers, there appears to be a growing need for applications training for those who have or are considering specific software packages. A number of vendors are offering courses and workshops designed to teach specific software utilizations.

As stated earlier, it is felt that the training and information needs of smaller businesses will be more comprehensive than larger firms.

Objectives

Within this exercise, objectives will be generated for only one of the identified product opportunities -- the need for grammar skills for clerical workers.

1. By February 15, 1983 generate a survey to be administered to large employers of clerical workers identifying the perceived need for training on the part of clerical employees and their supervisors. The survey will include perceived need for proofreading skills as well as other potential needs such as communication skills, human relation skills and bookkeeping skills. The rationalle for this objective is three-fold. First, the business executive's experience was possibly atypical and if there does not in fact exist a need it would be valuable to determine that early. Second, there is the potential of identifying additional training needs. Finally, the survey can serve as a preview and organizer as well as give potential users the feeling that programs were developed based upon voiced needs.

2. By March 11, 1983 administer and tally the needs survey.

3. By March 11, 1983 form a college business task force to respond to the survey. If warranted, this group will define the parameters of the response to the need. (Workshop, seminar, short course, on-site etc.)

4. By April 8, 1983 identify presentors/instructors and develop curriculum materials.

5. By April 8, 1983 meet with selected employers to identify potential benefits/rewards for participating in training. Establish cost/price.

6. By May 6, 1983 generate and disseminate materials on training.

7. By June 3, 1983 conduct and evaluate training.

Marketing Mix - Tactics

Rather than identifying any specific product such as "proofreading seminar", the product will be viewed as, "training and information to make your clerical workers more productive." This will allow for a range of specific activities. It may also be easier to market the notion of increased productivity than "grammar skills".

If possible, the training will be offered on-site. Options include: before or after work, during lunch, or as part of the work day. Specific arrangements would be made with the business involved.

Attempts will be made to price the sevice within the medium to medium-high range. This is especially true if the employees receive release time or overtime for participation. This pricing range would assist in denoting worth and employer committment in the program to the user. The price may be attractive when compared with savings through increased productivity. Flexible pricing may also be considered. A dollar participant figure could be announced and after an established number of participants registered there could be a reduction for additional participants from the same company.

Promotion will be basically within the company. Information on the program will be targeted to participants and their supervisors. As a customized training program, enrollment may be limited to employees of the cooperating business. However, if successful, the program could be installed in a number of businesses.

Quality control will be monitered by the task force established to develop the program. Assessments will include skill and attitudinal measures. The entire project will be under sponsorship of a Business Resource and Assistance Center.

North Chicago Community High School
Adult Evening School

Marketing Plan

I. Situation

The Adult Education program at North Chicago High School offers an extensive range of educational opportunities from academic achievement to vocational training. Primary academic education is aimed toward GED achievement and the goal of vocational training is both pre-entry to continuing occupational skills training and "do-it-yourself" ability.

Faculty and facilities can provide education opportunities in internally designed programs yet remains flexible enough to provide education and training to special interest groups and externally generated training needs of specific industries and businesses. However, participation in Adult Education programs at North Chicago High School is marginal and cost effective questionable. It is felt that extremely competitive client attraction by peripheral educational institutions bordering North Chicago largely restricts client participation to the immediate North Chicago population.

Similar educational programs are offered in high schools, the county junior college, the area vocational school, and many church and private learning institutions within a twelve mile radius of North Chicago (population 14,500).

II. Enviornmental Analysis of Opportunities

An analysis of the target population (North Chicago) disclosed a disproportionate number of public aid recipients who are educationally deficient. Among those identified as educationally deficient are high school drop-outs, unwed mothers, foreign born, and migrant workers between the ages of sixteen (16) and thirty-three (33). It was further disclosed that this group was also disproportionately represented in continuing or adult education programs offered by North Chicago High School. Public Aid recipients were, then, selected as the Target Population in our marketing plan.

III. Marketing Objectives

To increase Public Aid recipient participation in continuing education programs offered through North Chicago High School Adult Evening School.

IV. Objective Action Steps

1. Compile needs assessment data from client population:
    a. basic, remedial, or special educational learning
    b. skills training - occupational/vocation entry level, retraining, refresher training.

2. Ascertain skills needed for present and future employment opportunities locally, state, and nation-wide.

3. Data based assessment to determine target population group and individual skills attained through training, experience, or education.

4. Determine training needs to update or retrain acquired skills.

5. Design training programs, based on data based assessments, to provide entry level educational or occupational skills.

6. Solicit Public Aid recipient participation through group and individual personal contact and public relations.

7. Intergrate training programs with other social service and government funded training and assistance programs.

V. Terminal Objectives

1. To contribute meaningful and current education and training to Public Aid recipients to help them attain self sufficiency.

2. Increase overall student enrollment in Adult Education programs at North Chicago High School.

3. To make North Chicago High School Adult Evening Schools more cost effective.

ELGIN COMMUNITY COLLEGE

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BARTLETT CHAMBER OF COMMERCE

CARPENTERSVILLE-DUNDEE AREA CHAMBER OF COMMERCE AND INDUSTRY

C.E.T.A. (J.T.P.A.)
- Planning Council
  - Education and Training Subcommittee
- Private Industry Council

CHICAGO ASSOCIATION OF COMMERCE AND INDUSTRY

CITY OF ELGIN
- City Council
- Planning Commission

DUKANE VALLEY COUNCIL OF MAYORS AND MANAGERS
- Education Committee Chairperson

DUNDEE BUSINESS AND PROFESSIONAL ASSOCIATION
- Education Committee Chairperson

ELGIN AREA CHAMBER OF COMMERCE
- Economic Development Commission
- Industrial Retention Survey
- Membership Drive
- Personnel Association
  - Steering Committee
- Small Business Council

GREATER HANOVER PARK CHAMBER OF COMMERCE

HIGH IMPACT TRAINING SERVICES (H.I.T.S.) PROGRAM (DAVTE)
- Contractor

ILLINOIS COMMUNITY COLLEGE BOARD
- Economic Development Task Force

ILLINOIS YOUTH CENTER - VALLEY VIEW VOCATIONAL ADVISORY COMMITTEE

INDUSTRIAL TRAINING PROGRAM (DCCA)

KANE COUNTY INDUSTRIAL RETENTION SURVEY
- Steering Committee

KANE-DUPAGE PERSONNEL ASSOCIATION

LOCAL UNIONS
- Carpenters
- Electricians
- Plumbers and Pipefitters
- Sheet Metal Workers
- Tool and Die Institute

MAYOR BYRNE'S TASK FORCE FOR HI-TECH
- Charter Member

NATIONAL COMPUTER GRAPHIC ASSOCIATION

SCORE/ACE

SMALL BUSINESS ADMINISTRATION

SOCIETY OF MANUFACTURING ENGINEERS

SOCIETY OF PLASTICS ENGINEERS

ST. CHARLES CHAMBER OF COMMERCE
- Education Committee
- Industrial Retention Survey
- Membership Drive

SOUTH ELGIN BUSINESS ASSOCIATION

UNITED WAY OF ELGIN
- Governing Board
- Executive Committee
- Planning and Allocations Committee

ELGIN COMMUNITY COLLEGE

Marketing Plan
(In Process of Being Revised)

I. Office of Occupational Relations

  A. College Organizational Chart

    1. Dennis Sienko, Director

    2. Reports to Vice President of Development and Community Services

  B. Office Organizational Chart

    1. Grant Coordinator - Economic Development Project

    2. Center for Employee and Management Development

      a. Run as a business

      b. Account executives

        1) Future

          a) Account Executive (manufacturing)

          b) Account Executive (service/retail)

        2) Call on accounts

          a) Identify and meet current training needs

          b) Advise of other appropriate ECC programs

II. Community Involvement

  A. Joined groups rather than making cold calls or sending out surveys.

  B. Actively participate in groups

  C. Benefits

    1. Credibility

    2. Rapport

    3. Receive support

      a) Chamber Newsletter

      b) DCCA/PIC Grant

    4. Total college image enhanced

III. Media

- A. Business and Industry Supplement to local paper
- B. Paid ads
- C. Press releases

IV. Consultations

- A. Advisory Group for Local Government Training
- B. Advisory Group for Small Business Training
    - 1. Members Small Business Association
    - 2. Members of area Chambers of Commerce
- C. Focus Groups (6 groups)
    - 1. 36 participants from 35 companies (manufacturing, service and retail)
    - 2. Critique Business and Industry Training Assessment Survey
    - 3. Evaluate ECC's Services
        - a. Services used in past
        - b. Suggested topics for future training
        - c. Comments will be used when devising new marketing plan and in planning future course offerings.

V. Business and Industry Training Assessment Survey

- A. Comprehensive
- B. Information to be published in Training Information Directory, including ECC's programs.
- C. Opportunity to assess need for ECC's programs

VI. Printed Materials

- A. Brochures
    - 1. Topic will be given "top billing"
    - 2. Designed so it can be easily posted
- B. Class schedules (credit and non-credit) to be mailed to businesses.

College of Lake County

January 31, 1983

COMPONENTS OF MARKETING PLAN

I. Situation Analysis - Diagnosis

A. College mission

a. Education-related economic development activities in the county carried on by:

1) conducting needs assessments
2) developing appropriate curricular programs
3) offering special programs
4) serving as an information resource through conference sponsorship and participation in consulting and networking opportunities

B. Objectives

a. 82-83 goals Institutional Goals above statement is new addition to institutional goals

C. Strategies

a. Restructuring of of administrative structure
b creation of Economic Development Center for 1983-84

D. Macroenvironment - econ condition of Lake County

a. % unemployment
b. most hiring freezes
c. lay offs
d. closings
e. all companies in county are effected

E. Customers

a. reduced staffing may mean more training for fewer people to perform greater breadth of duties

F. Faculty - diagnosis indicates following obstacles

a. resistance to new and/or expanded roles and duties
b. inability - unwilling to perform
c. attitude toward C. E. instructors is poor
d. pay (insufficient motivation)
e. Continuing Education - limited teaching skills/time conflicts

G. Facilities

a. very little space (currently) for high technology except for digital electronics
b. currently have use of facilities with LCAVC (Lake County Area Vocational Center

[illegible] for Business/Industrial Institute

c. 1984 - Robotics, CADD (computer assisted drafting & design) currently being implemented
d. LCAVC will do CNC (computer assisted numerical control)
e. 1986 facilities to be completed will assist somewhat (plastics, general technology lab, biology, chemistry)

H. Equipment

a. approximately $400,000 equipment purchase (CADD, robotics, CNC (joint purchase with LCAVC); perhaps graphics (again, joint purchase with LCAVC) through technical communications

I. Creditability

a. offer credit and non-credit courses
b. flexibility in course offerings and related credit

II. Environmental Analysis of Opportunities

A. Identify new product opportunities through

a. Environmental scanning (see "Lake County Economic Development Plan")
b. New products committee

1) advisory committees for programs
2) internal and external councils for economic development see CLC reorganization charts

c Other sources:

1) competitors - private purveyors (MIMA, AMA)
other community colleges
private consultants
2) customers - See "B" - Target Market Selection
3) faculty & staff - through contacts and readings in the field
4) top management

B. Target Market Selection

a. types of industries

1) targeted Lake County markets for economic development

a) plastics, fabricated metals, electronics chemicals, scientific instruments
2) small business
3) service
4) new corporations (HITS)

III. Statement of Marketing Objectives see attached

A. Classes of growth objective for marketing economic development products and services

- a. Intensive
- b. Integrative
- c. Diversification

B. Products/services and marketing focus (see attached)

IV. How to Reach Objectives: The Marketing Mix - Variables to Determine for Specific Products

A. Products

- a. Defining products
  - 1. Characteristics
  - 2. Major saleable qualities
- b. Delivery time frame
- c. Personnel responsible for delivery
- d. Target audience

B. Place

- a. Facilities and location
  - 1. On-site/in-plant
  - 2. On campus
  - 3. Extension sites
  - 4. Leased space
- b. Geographic location

C. Price

- a. Personnel and indirect costs
- b. Supplies, materials, equipment
- c. Rental of sites, leasing of equipment
- d. Course fees (credit vs. non-credit)
- e. Advertising and promotional materials

D. Promotion

- a. Class schedules
- b. Brochures/flyers
- c. Radio/cable TV, newspapers

d. Mailing of information to:

   1. Professional organizations
   2. In-house lists through SIC codes, PR, and Placement Offices
   3. Chambers of Commerce
   4. Target audience
   5. Township/government agencies
   6. Secondary schools/vocational education centers
   7. Libraries and public facilities

e. Networking - word of mouth promotion

V. Tactics

A. Positioning (Tactic concepts - see attached)

a. Institutional economic development tactic - selling concept (We need to increase overall interest and awareness of products/services)
b. Products/services - tactic will vary depending on each one e.g., in-plant training - marketing concept would primarily be utilized

ATTACHMENT

PRODUCTS/SERVICES PROVIDED

I. Development of Product

1. Development of training materials
2. Credential (convert) corporation or industrial training to college
3. Problem analysis/productivity studies
4. Career program coordinators strengthen "linkages" with industry
5. Link with high school vocational program

II. Provision of Product

1. Cooperative Education
2. Pre-employment training (CETA)
3. Traditional career programs - 2 year & certificate
4. Management & Supervision training (AMA)
5. Train industrial personnel responsible for employer training
6. In-plant training (skills-upgrade...)
7. Small business education
8. Service industry education
9. Skill training/retraining (for change)
10. Allied health/nursing (entry level employees and continuing education)
11. Life/career development
12. Basic skills training
13. Re-entry preparation
14. Training for community based organizations (United Way, Lake County Urban League)
15. Train employees for NEW corporations
16. Training for industry (personal) promotions
17. Train for new technology - lead industry into use of technology

MARKETING OBJECTIVES

* Marketing Focus

INTENSIVE	INTEGRATIVE	DIVERSIFICATION
Existing products/services Existing Markets	Existing products/services New Markets	New products/services New Markets
Cooperative Education	* Cooperative Education	* Train industrial personnel responsible for employer training
Pre-employment training (CETA)	* Pre-employment training (CETA)	* Service industry education
Traditional career programs - 2 year & certificate	* Traditional career programs - 2 year & certificate	
Management & Supervision training (AMA)	* Management & Superivision training (AMA)	
In-plant training (skills upgrade...)	* In-plant training (skills upgrade)	
* Small business education	Small business education	
Skill training/retraining (for change)	* Skill training/retraining (for change)	
* Allied health/nursing (entry level employees and continuing education)	Allied health/nursing (entry level employeed and continuing education)	
* Life/career development	Life/career development	
* Basic skills training	Basic skills training	
* Re-entry preparation	Re-entry preparation	
Training for community based organizations (United Way, Lake County Urban League)	* Training for community based organizations (United Way, Lake County Urban League)	
* Train employees for NEW corporations	Train employees for NEW corporations	
* Training for industry (personal) promotions	Training for industry (personal) promotions	
Train for new technology - lead industry into use of technology	* Traing for new technology - lead industry into use of technology	

Northern Illinois University
DeKalb, Illinois 60115

Illinois Labor Market
Information Service
815 753 1901

Center for Governmental Studies

*** LABOR MARKET INFORMATION USER'S MANUAL ***

Economic development organizations, employment and training agencies, regional planning groups, and educational institutions all share a common activity during the planning process -- all use local labor market information to justify programmatic decisions and resource allocations. Additionally, most organizations funded with public monies are required to substantiate program services by identifying and providing an account of the client audience that the agency serves. To meet both these needs the Illinois Labor Market Information Service has obtained and developed a multitude of current information sources on local and regional economies in Illinois.

The vehicle for disseminating comprehensive data on your local area is the LABOR MARKET INFORMATION USER'S MANUAL.

What is found in the USER'S MANUAL?

The USER'S MANUAL contains state, regional, county, and sub-county level data that enhances the traditional sources of information available from federal and state publications. A USER'S MANUAL can be developed for any county or multi-county region since most of the labor market data is available at the county level. The USER'S MANUAL contains a wide range of information on local establishments and employment levels; information on the characteristics of "disadvantaged populations;" projections of labor force, poverty, personal income, and populations; and a variety of economic base information on the local labor market area, trading and marketing data, historical data on labor force activity; and finally, the latest information from the 1980 U.S. Census of the Population. To facilitate the practical use of the data each separate section is preceded by a "narrative" which describes the information within the section and provides examples of the data's use as well as its limitations.

How can I obtain a USER'S MANUAL for my area?

The USER'S MANUAL is available from the Illinois Labor Market Information Service as part of a comprehensive information package. With the leasing of a USER'S MANUAL you will receive a complete manual (includes narrative and the data series) for the State of Illinois and for one designated planning juridiction (or its closest approximation in each data series.)

(continue on next page)

The Illinois Labor Market Information Service is funded
by the Department of Commerce and Community Affairs

University is an Equal Opportunity/Affirmative Action Employer

rthern Illinois University

You will also receive all future manual updates for this year including a "community profile" from the 1980 U.S. Census of the Population. With the leasing of USER'S MANUAL you will receive up to five hours of technical assistance from Illinois Labor Market Information Service staff in data series use and interpretation. Finally, you will gain access to the use of ILMIS's package of information from the Dun and Bradstreet data series. This Dun and Bradstreet service will include the following:

1) Components of Employment Change Tables for your area
2) Net Employment Change Information
3) Targeted Business Listings from the Dun and Bradstreet Annual Files (up to 2,000 business listings)
4) Access to Receive Targeted Business Listings on Mailing Labels and Employer Contact Sheets.

The cost of the total USER'S MANUAL package for your area is $850.00. Additional geographic areas can be requested at a reduced leasing cost.

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TABLE OF CONTENTS

Prime Sponsor

1981 Edition

1982 Edition- Slightly Different

Manual Title Page

Staff Listing

Acknowledgments

Introduction

SECTION: TECHNICAL ASSISTANCE SYSTEM

Narrative: Technical Assistance Services

SECTION: LOCAL LABOR MARKET INFORMATION

Sub-Section: Dun's Market Indicator Data

Narrative: An Overview of the Dun and Bradstreet Data Series

Dun's Market Indicator Data - State of Illinois Totals
- Number of Establishments, 1980
- Number of New Establishments, 1979-80
- Number of Dead Establishments, 1979-80
- Number of Continuing Establishments, 1979-80
- Number of Continuing Establishments, Growing, 1979-80
- Number of Continuing Establishments, Declining Employment, 1979-80
- Number of Employees of New Establishments, 1979-80
- Number of Employees of Dead Establishments, 1979-80
- Number of Employees of Continuing Establishments, 1979-80
- Number of Employees of Continuing Establishments, Declining Employment, 1979-80

Dun's Market Indicator Data - Prime Sponsor/County Totals
- Number of Establishments, 1980
- Number of New Establishments, 1979-80
- Number of Dead Establishments, 1979-80
- Number of Continuing Establishments, 1979-80
- Number of Continuing Establishments, Growing Employment, 1979-80
- Number of Continuing Establishments, Declining Employment, 1979-80
- Number of Employees of New Establishments, 1979-80
- Number of Employees of Dead Establishments, 1979-80
- Number of Employees of Continuing Establishments, 1979-80
- Number of Employees of Continuing Establishments, Declining Employment, 1979-80

Spatial Distribution of Firms and Employees for Prime Sponsor Counties

Northern Illinois University

Sub-Section: State Agency Client Data

Narrative: An Overview of the State Agency Client Data Series

Special Population Data for Six State Agency Client Files
State of Illinois Totals
Special Population Data for Six State Agency Client Files
Prime Sponsor/County Totals

Department of Corrections - State of Illinois Totals
Department of Corrections - Prime Sponsor/County Totals

Department of Rehabilitation - State of Illinois Totals
Department of Rehabilitation - Prime Sponsor/County Totals

Unemployment Insurance Claimants - State of Illinois Totals
Unemployment Insurance Claimants - Prime Sponsor/County Totals

Department of Children and Family Services - State of Illinois Totals
Department of Children and Family Services - Prime Sponsor/County Totals

Public Aid Clients - State of Illinois Totals
Public Aid Clients - Prime Sponsor/County Totals

Job Service Applicants - State of Illinois Totals
Job Service Applicants - Prime Sponsor/County Totals

Dropout Data Population Characteristics - State of Illinois Totals
Dropout Data Population Characteristics - Prime Sponsor/County Totals

Veterans Administration - Population by County

Sub-Section: Economic & Demographic Projections

Occupations, Employment Change and Average Annual Job Openings
Prime Sponsor/Regional Totals

Economic & Demographic Projections - State of Illinois Totals
- Labor Force
- Youth Labor Force
- Labor Force Participation
- Youth Labor Force Participation
- Poverty Population
- Income

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Economic & Demographic Projections - Prime Sponsor/County Totals
- Labor Force
- Youth Labor Force
- Labor Force Participation
- Youth Labor Force Participation
- Poverty Population
- Income

Sub-Section: 1980 Census Data

Narrative: The 1980 Census: How To Use A Treasure Trove Of Data

Census of Population and Housing, 1980 - State of Illinois Totals
Census of Population and Housing, 1980 - Prime Sponsor/County Totals

Sub-Section: Economic Base Data

Narrative: Selected Economic Data for Illinois Basic Trading Areas and Their Component Counties and Principal Business Centers, 1981

Tables on Illinois Basic Trading Areas and Their Component Counties and Principal Business Centers

Narrative: An Overview of Employment by Industry

Employment by Industry - United States Totals
Employment by Industry - Great Lakes Region Totals
Employment by Industry - State of Illinois Totals
Employment by Industry - Prime Sponsor/County Totals

Employment by Industry - Net Employment Change (1940-50 and 1950-60)
- United States Totals
- Great Lakes Region Totals
- State of Illinois Totals
- County Totals

Employment by Industry - Net Employment Change (1960-70 and 1940-70)
- United States Totals
- Great Lakes Region Totals
- State of Illinois Totals
- County Totals

Narrative: An Overview of County Business Patterns Data Series

County Business Patterns, Number of Employees, 1979
State of Illinois Totals

County Business Patterns, Number of Employees, 1974-79
State of Illinois Totals

County Business Patterns, Net Employee Change, 1974-79
State of Illinois Totals

Northern Illinois University

County Business Patterns, Number of Employees, 1974-79 Prime Sponsor Totals
County Business Patterns, Number of Employees, 1974-79 Prime Sponsor/County Totals

County Business Patterns, Net Employment Change, 1974-79 Prime Sponsor Totals
County Business Patterns, Net Employment Change, 1974-79 Prime Sponsor/County Totals

Narrative: An Overview of Journey-to-Work

Journey-to-Work Data - Prime Sponsor/County Level

SECTION: LMI SOURCE MATERIALS

Industrial Classifications - 1980 Bureau of Economic Analysis Regional Projections

Illinois Labor Market Information Service - Technical Library

Technical Assistance Library - New Listings

Selected Bibliographic Sources for Local Labor Market Planning and Programming

Regional Research and Analysis Offices - Staff of the Illinois Bureau of Employment Security

OJT/UPGRADING EMPLOYER DATA SHEET

COMPANY JUDYS FAMILY HAIR CARE CENTER CHIEF EXECUTIVE JUDY L SMITHSON

ADDRESS 136 CENTER ST PHONE NUMBER (312) 223-5556

MAILING ADDRESS SAME AS ADDRESS ABOVE START DATE 1964

CITY GRAYSLAKE ZIPCODE 60030 SIC 7230-1--BEAUTY SALON

EMPLOYMENT LEVEL 1979 15 1982 15 CURRENT ________

DATE OF LAST D&B REPORT 6 /30/81 ESTABLISHMENT TYPE SINGLE

* * *

CONTACT PERSON ________ PHONE ________

PERSONAL VISIT (Y/N) ________ DATE ________

SENT BROCHURE (Y/N) ________ DATE ________

* * *

PLANS FOR FUTURE EXPANSION?NONE ___ 1 - 6 MO. ___ 6 MO. - 1 YR. ___ OVER 1 YR. ___

NEED FOR FINANCIAL ASSISTANCE? (LOANS, GRANTS, TRAINING FUNDS) Y/N ________

INTEREST/KNOWLEDGE OF TJTC? ________

JOBS MOST FREQUENTLY HIRED FOR ________

____

JOBS REQUIRING SPECIAL TRAINING ________

____

* * *

CONTACT RECORD

DATE	RESULTS

COMPONENTS OF EMPLOYMENT CHANGE BY MAJOR INDUSTRY GROUPINGS
ILLINI COUNTY (1979-1981)

	EMPLOYMENT BASE 1979	EMPLOYMENT GROWTH			EMPLOYMENT DECLINE			NET CHANGE 1979-1981
		BIRTHS	EXPANSIONS	INMIGRATIONS	DEATHS	CONTRACTIONS	OUTMIGRATIONS	
AGRICULTURE (SIC 01-09)	444	0 0.00%	209 47.07%	0 0.00%	12 2.70%	9 2.03%	0 0.00%	188 42.34%
MINING (SIC 10-14)	102	0 0.00%	0 0.00%	0 0.00%	12 11.76%	5 4.90%	0 0.00%	-17 -16.67%
CONSTRUCTION (SIC 15-19)	4,158	167 4.02%	365 8.78%	304 7.31%	550 13.23%	345 8.30%	3 0.07%	-62 -1.49%
MANUFACTURING	29,808	104 0.35%	814 2.73%	712 2.39%	304 1.02%	2,268 7.61%	0 0.00%	-942 -3.16%
NONDURABLE (SIC 20-23,26-31)	6,695	59 0.88%	368 5.50%	712 10.63%	40 0.60%	87 1.30%	0 0.00%	1,012 15.12%
DURABLE (SIC 24-25,32-39)	23,113	45 0.19%	446 1.93%	0 0.00%	264 1.14%	2,181 9.44%	0 0.00%	-1,954 -8.45%
TRANSPORTATION & PUBLIC UTILITIES (SIC 40-49)	2,939	48 1.63%	736 25.04%	157 5.34%	411 13.98%	169 5.75%	4 0.14%	357 12.15%
WHOLESALE TRADE (SIC 50-51)	2,584	90 3.48%	218 8.44%	7 0.27%	179 6.93%	145 5.61%	5 0.19%	-14 -0.54%
RETAIL TRADE (SIC 52-59)	11,765	362 3.08%	744 6.32%	16 0.14%	1,689 14.36%	842 7.16%	60 0.51%	1,469 -12.49%
FINANCE, INSURANCE REAL ESTATE (SIC 60-69)	3,010	33 1.10%	368 12.23%	6 0.20%	115 3.82%	121 4.02%	0 0.00%	171 5.68%
SERVICES (SIC 70-89)	17,442	171 0.98%	854 4.90%	90 0.52%	1,125 6.45%	1,391 7.98%	29 0.17%	-1,430 -8.20%
TOTAL (SIC 01-89)	72,252	975 1.35%	4,308 5.96%	1,292 1.79%	4,397 6.09%	5,295 7.33%	101 0.14%	-3,218 4.45%

PREPARED BY THE CHICAGO AREA GEOGRAPHIC INFORMATION STUDY (CAGIS) FOR THE ILLINOIS LABOR MARKET SERVICE THROUGH A GRANT FROM THE ILLINOIS DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS

IDEA EXCHANGE

Economic Development Through Education

Illinois Community College Board February, 1983 #2

This issue of "Idea Exchange" focuses on the Job Training Partnership Act. As it is the intention of this newsletter to provide details on JTPA relevant to community colleges as they become available, this issue includes a schedule of events to make JTPA operational and addresses how community colleges can be involved in the current step of service delivery area designation and the next step of creating private industry councils. While information herein is believed to be accurate, please keep in mind that due to the numerous activities that must be conducted between now and October 1 to make JTPA operational, there is not an opportunity to verify information with legal counsel or the Department of Commerce and Community Affairs and still publish needed information in a timely fashion.

* * * * * * * * * * * *

• UNDERSTANDING THE JOB TRAINING PARTNERSHIP ACT: New Acronyms and Lingo

Acronyms

IJTCC:	Illinois Job Training Coordinating Council
JTPA:	Job Training Partnership Act
LMA:	Labor Market Area
PIC:	Private Industry Council
SDA:	Service Delivery Area

Definitions -- these definitions are not intended to be legal opinions or interpretations of the Job Training Partnership Act, but rather are to provide a basic understanding of terms used in the Act.

Chief Elected Official: The governing body of the SDA. If the SDA is a city, the chief-elected official is the city council. If the SDA is one county, the chief-elected official is the county board. If the SDA is comprised of more than one county, the chief elected official is determined through an agreement between the county boards.

Dislocated Workers: People who are unemployed or have received notice of termination or lay-off, long-term unemployed people, and older individuals, all of whom cannot expect employment or re-employment in their previous industry or occupation due to, for example, plant closings or other barriers to employment.

Economically Disadvantaged: An individual who receives or is in a family who receives welfare payments, has a poverty level income not including unemployment compensation, or is receiving food stamps; an individual who is a foster child; or an individual who is handicapped.

Illinois Training Coordinating Council: The Governor's advisory council on the implementation of JTPA in Illinois, often referred to as the Job Training Coordinating Council (JTCC).

Job Training Partnership Act: Job training legislation signed into law October 13, 1982 to replace the Comprehensive Employment and Training Act (CETA) as of October 1, 1983.

Labor Market Area: Defined in the Act as "an economically integrated geographic area within which individuals can reside and find employment within a reasonable distance or can readily change employment without changing their place of residence." There are numerous ways of defining LMAs; for example, existing "prime sponsors" may be considered LMAs as can "standard metropolitan statistical areas."

Low-Income Level: $7,000 in 1969 dollars, adjusted for the current year according to the Consumer Price Index.

Private Industry Council: The service delivery area's advisory body on the local use of JTPA funds. A PIC must share policy and oversight responsibility with the chief-elected official. A majority of PIC members must be from private business and the remaining members from educational agencies, organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the public employment service. Each service delivery area must have a PIC to be appointed by the chief-elected official.

Service Delivery Area: The districts within the state through which the job training services are delivered. SDAs must each have a population of at least 200,000 and be consistent with LMAs. All parts of the state must be within an SDA. SDAs are established by the Governor with advice from the IJTCC and comments from units of local government, business organizations, and other interested parties. SDAs will be established by approximately March 31, 1983. Once established, SDAs may be changed by the Governor no more often than every 2 years and must be done no later than 4 months before the beginning of a program year.

Title I: The portion of JTPA which establishes the structure for the delivery of job training services and outlines the functions and responsibilities of the state and local government and the private sector.

Title II: Authorizes funding and sets requirements for local training services for disadvantaged youth and adults. Title IIA will yield the most funds under JTPA , Title #B provides for summer youth training programs. Title II funds can be used for training programs such as on-the-job training, classroom training, remedial education and basic skills training, and job search assistance. Seventy-eight percent of Title IIA funds will be passed through to SDAs on a formula basis. The remaining 22% are provided to the state to administer for coordinating job training services with state education training agencies, providing training to older workers, administrative and statewide activities, and incentive bonuses to effective SDAs. (See the first issue of "Idea Exchange" for funding levels.)

Title III: Establishes employment and training assistance for dislocated workers, some of which will probably be administered by the state and some by SDAs.

Title IV: Establishes funding for federally administered programs such as the Job Corps.

Title V: Amends the Wagner-Peyser and Social Security Acts and other laws to foster coordination with the job training system.

Unit of General Local Government: Any general purpose political subdivision of the state which has the power to levy taxes and spend funds and has general corporate or policy powers. Colloquially defined as any municipality or county.

JOB TRAINING PARTNERSHIP ACT TRANSITION SCHEDULE

The first issue of "Idea Exchange" featured an article on the Job Training Partnership Act (JTPA) which provided an overview of the Act, available funds, and activities to be conducted between now and September to switch from CETA to JTPA. This issue features a complete schedule of these transitional activities provided by the Department of Commerce and Community Affairs. While this schedule is flexible, there is a great deal to be achieved over the next few months, so the schedule will be adhered to as much as possible. By being familiar with this schedule of events, community colleges can more easily be involved in the transition process.

ILLINOIS TRANSITION SCHEDULE

Activities and Events	Dates
1. Governor establishes and appoints members to the Illinois Job Training Coordinating Council (IJTCC).	January 13, 1983
2. IJTCC holds first meeting and proposes criteria to the Governor for designating service delivery areas (SDAs).	January 20, 1983
3. Governor publishes a proposed map of SDAs for the state.	February 7, 1983
4. Units of general local government apply to the Governor, requesting designation as SDAs.	February 7, 1983 - March 15, 1983
5. Units of general local government, business organizations, and others comment on the proposed designation.	February 7, 1983 - March 15, 1983
6. Governor reviews, comments and requests, and makes final decisions on SDA designations.	March 31, 1983
7. Governor receives PIC lists and supporting documentation and certifies PICs.	April 30, 1983
8. Governor issues annual statement of goals and objectives, SDA planning estimates, planning guidelines, and schedule for SDA job training plans.	May 1, 1983
9. Governor certifies PICs.	May 15, 1983
10. Each SDA selects a grant recipient to administer the job training plan.	May 31, 1983

11.	IJTCC recommends Coordination and Special Services Plan.	June 16, 1983
12.	Governor submits Coordination and Special Services Plan to the U. S. DOL.	July 1, 1983
13.	Each SDA submits Job Training Plan to IJTCC and Governor.	July 31, 1983
14.	Governor approves or disapproves SDA plan.	August 31, 1983

Additional information can be obtained by contacting DCCA's Division of Employment and Training Services, Office of Statewide Employment and Training, 320 W. Washington, Springfield, Illinois 62706, Telephone (217) 786-3170.

- HOW TO BE INVOLVED IN THE ESTABLISHMENT OF YOUR SERVICE DELIVERY AREA

On February 7, 1983, the Governor published a map of proposed service delivery areas based on criteria recommended by the Illinois Job Training Coordinating Council and requirements of the Job Training Partnership Act. A copy of this map is attached. As you can see from the "transition schedule," units of local government, business organizations, and other interested parties including community colleges have until approximately March 15, 1983 to submit comments or requests for revisions on the proposed SDAs. The Act does not specify procedures for submitting comments, but community colleges should at a minimum submit written comments to the Governor and should also consider additional lobbying efforts such as contacting local elected officials, state representatives, and other educational institutions to marshall support as they deem appropriate.

- HOW TO BECOME A PRIVATE INDUSTRY COUNCIL

Once service delivery areas are determined and certified by the Governor, which is expected to occur by the end of March 1983, private industry councils (PICs) will be created in each SDA. Because the purpose of the PIC is to provide policy and guidance for all JTPA activities in its SDA, it is extremely important that community colleges are represented on their PICs. The importance of the role of educational agencies in job training is recognized by the JTPA as second only to the role of the private sector, so the education system is guaranteed representation by the Act.

Who must be included on the PIC?

As quoted from the Act, JTPA requires that each SDA must have a PIC that consists of:

1. Representatives of the private sector, who shall constitute a majority of the membership of the council and who shall be owners of business concerns, chief executives or chief operating officers of non-governmental employers, or other private sector executives who have substantial management or policy responsibility; and

2. Representatives of educational agencies (representative of all educational agencies in the service delivery area), organized labor, rehabilitation agencies, community-based organizations, economic development agencies, and the public employment service.

How are PICs formed?

The private sector representatives are selected from among individuals that are nominated by business organizations, such as local chambers of commerce. The education representatives will be selected from individuals nominated by local educational agencies, vocational education institutions, institutions of higher education or general organizations of such agencies or institutions, and by nonsectarian private and proprietary schools or general organizations of such schools. The remaining members of the council shall be recommended by interested organizations.

While the Act clearly states that more than 50% of the members of the PIC must be from the private sector, it does not state any statistical minimum for representation of educational institutions. The Act does, however, state that the representatives of educational agencies must be representative of all educational agencies in the SDA.

PIC members are appointed by the chief-elected official of the SDA, which is defined by the Act as the governing body. In the case of a city (Chicago is the only Illinois city large enough to become an SDA), the chief-elected official would be the city council. If the SDA is one county, the chief-elected official would be the county board. If the SDA is comprised of a number of counties, their county boards must enter into an agreement of their choosing as to how PIC members will be appointed. If there is no such agreement, the Governor shall make the appointments.

Once the members of the PIC are named by the chief-elected official, the PIC must be certified by the Governor. The PIC can only be certified if the Governor determines that its composition and appointments are consistent with the Act. The chief-elected official then convenes a council meeting to select a chairperson (the Act does not specify whether the chair must be elected or appointed) from among the private business representatives. Once certified, PICs shall determine their own size as long as they maintain the proper composition. Members may be removed for cause in accordance with procedures established by the PIC, but new members must be named using the same procedures used to appoint its original members.

How can community college staff become PIC members?

Community colleges and their representative organizations within their service delivery area should nominate people from their ranks to the appropriate chief-elected official for inclusion on the PIC. They should then track the actual appointments to the PIC to ascertain whether there is adequate representation as required by the Act. Any recommendations made for changes in the appointments should be made prior to the PIC being certified by the Governor.

JTPA FUNDING UPDATE

Under the Job Training Partnership Act, fiscal years will be changed from the traditional October through September to July through June. This change will result in a shortened 1984 fiscal year which will start this October but will

end June 30, 1984. When the first issue of "Idea Exchange" was published, the Department of Commerce and Community Affairs had not yet ascertained whether first year figures for JTPA funding were to be spent in their entirety or on an annualized basis during this shortened 1984 fiscal year. At a February workshop conducted by DCCA, it was announced that the funds will indeed be spent on an annualized basis. The anticipated annual $105 million appropriation will, therefore, yield roughly $79 million for the 9-month 1984 fiscal year with the full $105 million available for succeeding 12-month fiscal years. Please keep in mind that these figures are still rough estimates depending on the size of the Illinois appropriation, and actual figures could vary significantly.

WANTED: Articles on economic development activities at your community college

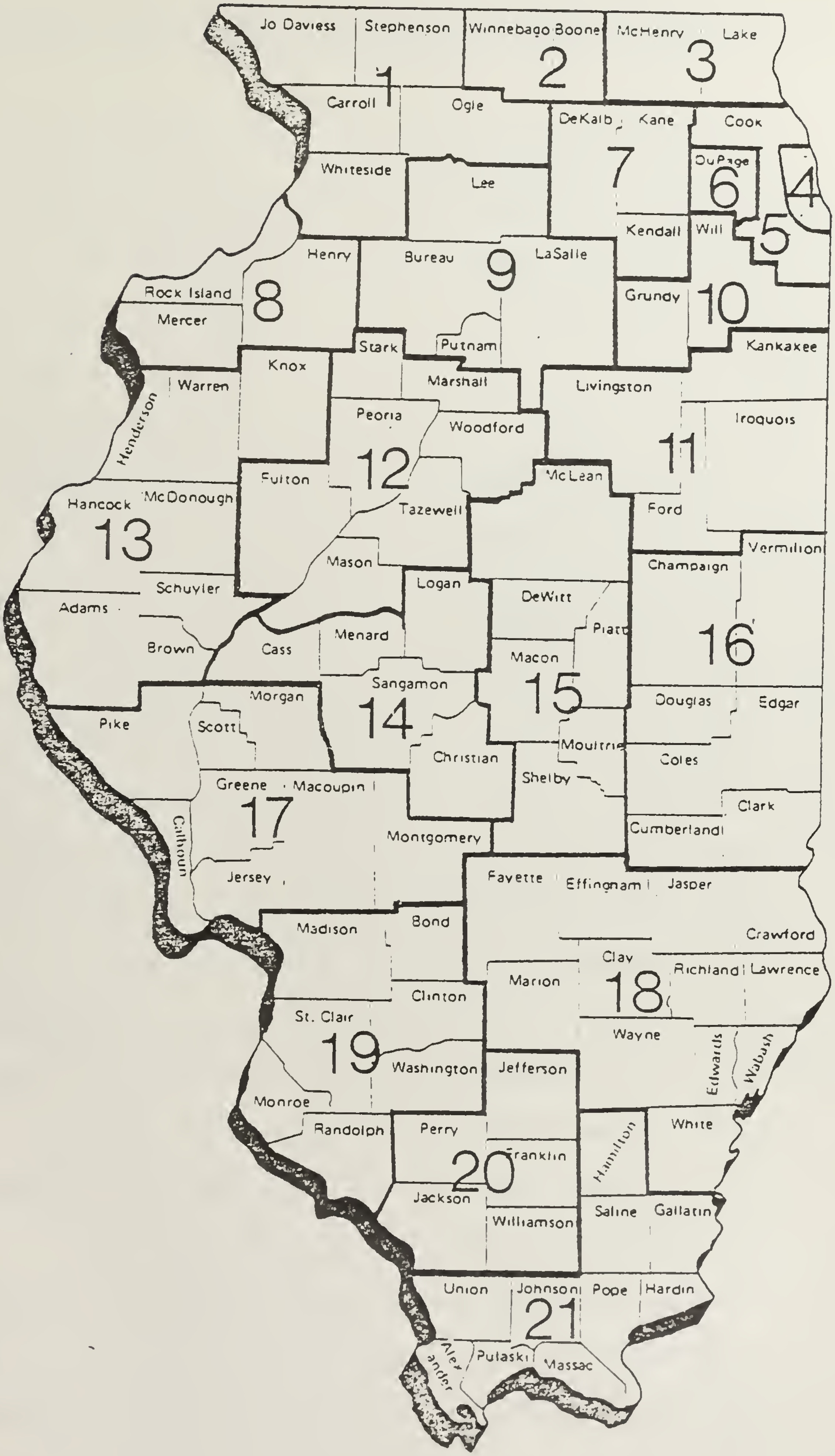
Are you conducting job training programs, seminars for businesses, workshops for local government officials, industrial retention or prospecting programs, or other economic development activities? If so, please send information to the editor. An important function of "Idea Exchange" is to keep community colleges abreast of one another's economic development activities as well as to promote these important activities statewide. In future issues, "Idea Exchange" will feature articles highlighting projects that are conducted by community colleges that will have an impact on the labor force, local businesses, and the local government in terms of their ability to obtain, retain, or create jobs. You are invited to submit articles that either announce a new project or that provide a brief case study on an existing or previous project. The articles should range in length from one paragraph to one page and should address the purpose, scope, duration, benefits, cost, funding source, and contact person for the project. Articles will be edited and printed as space permits. Help us let Illinois know what community colleges have to offer in economic development.

* * * * * * * * * * * *

IDEA EXCHANGE is published by the Illinois Community College Board and is financed in part with a grant from the Illinois Department of Commerce and Community Affairs.

Inquiries, suggestions, and comments should be addressed to Lynn Burger, Economic Development Liaison, Illinois Community College Board, 3085 Stevenson Drive, Springfield, Illinois 62703 (217) 786-6000.

PROPOSED SERVICE DELIVERY AREAS
FOR THE
JOB TRAINING PARTNERSHIP ACT



PARTICIPANTS OF THE ECONOMIC DEVELOPMENT SESSION ON APRIL 6, 1983

Adelaide Bannon	College of Lake County
Fred Baurdeloin	Highland Community College
Harvey Bos	Mid-Valley Area Vocational Center
Bruce Campbell	Illinois Bell Telephone Company
Jeannette Crum	Kishwaukee Community College
Kathy Dzekunsakas	Black Hawk College BRAC
Dr. Donald Foster	Sauk Valley College
Jim Gray	McHenry Community College
Beverly Heasan	College of Continuing Education-Northern Illinois University
Donna Martin	Kishwaukee Community College
Jerry Newlee	Community School District #300
Margaret Olson	Waubonsee Community College
Kathleen Orozco	Moraine Valley Community College
Susan Oster	College of Lake County
Sue Pfluger	Dundee Community Schools
Kathleen Rumsey	Lake County Planning Department
Joel Schieder	Stephenson Area Career Center
Pam Selby	Elgin Community College
Dennis Sienko	Elgin Community College
Mel Smith	Rochelle High School
J.J. Stephens	Commonwealth Edison
Paul Tague	Sauk Valley College
Keri Thiessen	College of Lake County

Northern Illinois University
DeKalb, Illinois 60115

College of Business
Office of the Dean
Wirtz Hall
815 753 1755

TO: Selected Institutions Involved in Economic Development

FROM: E. Edward Harris, Director
Office of Business Research

RE: Economic Development Training Session on April 6, 1983

DATE: March 25, 1983

We are looking forward to our meeting on April 6, 1983. The purpose of this meeting will be two-fold. The first purpose is to have those of you who haven't shared your marketing plans with the other member institutions to do so. Those of you who have already submitted your plans in writing will find a review of your plan by Dr. Cary Kizilbash enclosed. Our plans are to make the sharing of these local plans an informal process. However, I am sure that all the individuals in attendance will appreciate receiving as much material in writing as you have available.

The second purpose of this meeting is to have you share your thoughts on which parts of the program have been most helpful to you during the past few months and what additional training you would like to receive in the months ahead. We will be asking you some time in the near future for a more formal evaluation of our activity, however, at this meeting, more of an emphasis will be placed on what you would like to do in the months ahead.

The meeting on Wednesday, April 6, 1983, will be held in Room #506 in the Holmes Student Center from 10:00 AM to approximately 3:00 PM. Please return the attached form to us some time prior to Friday, April 1, 1983.

ECONOMIC DEVELOPMENT TRAINING SESSION ON APRIL 6, 1983

Name of Institution: ______________________________

Name	Position

PLEASE RETURN THIS FORM BY APRIL 1, 1983

Northern Illinois University
DeKalb, Illinois 60115

College of Business
Office of the Dean
Wirtz Hall
815 753 1755

TO: INDIVIDUALS PARTICIPATING IN THE DEVELOPMENT OF MARKETING PLANS WHO WERE UNABLE TO ATTEND SESSION #3 ON MARCH 2, 1983

FROM: E. EDWARD HARRIS, DIRECTOR
OFFICE OF BUSINESS RESEARCH

SUBJECT: REPEAT OF SESSION #3 "HOW TO UTILIZE THE SERVICES OF THE ILLINOIS LABOR MARKET SERVICE AND ILLINOIS OCCUPATIONAL INFORMATION COORDINATING COMMITTEE"

DATE: MARCH 10, 1983

Because of the fact that we had such an outstanding series of presentations on how to utilize the Illinois Labor Market Service and the services of the Illinois Occupational Information Coordinating Committee, we are repeating these sessions on Wednesday, March 30, 1983. The participants found the sessions to be extremely helpful to them in preparing their marketing plans and also were most pleased to learn both how much help both services can be and also how well coordinated their activities are. I am enclosing for you just two of the pages from the Illinois Labor Market Service materials that might be of particular help to you in your activities.

Please fill in the form below indicating who will be representing your institution and return it to me some time prior to March 21, 1983, so that we can make plans for materials and space.

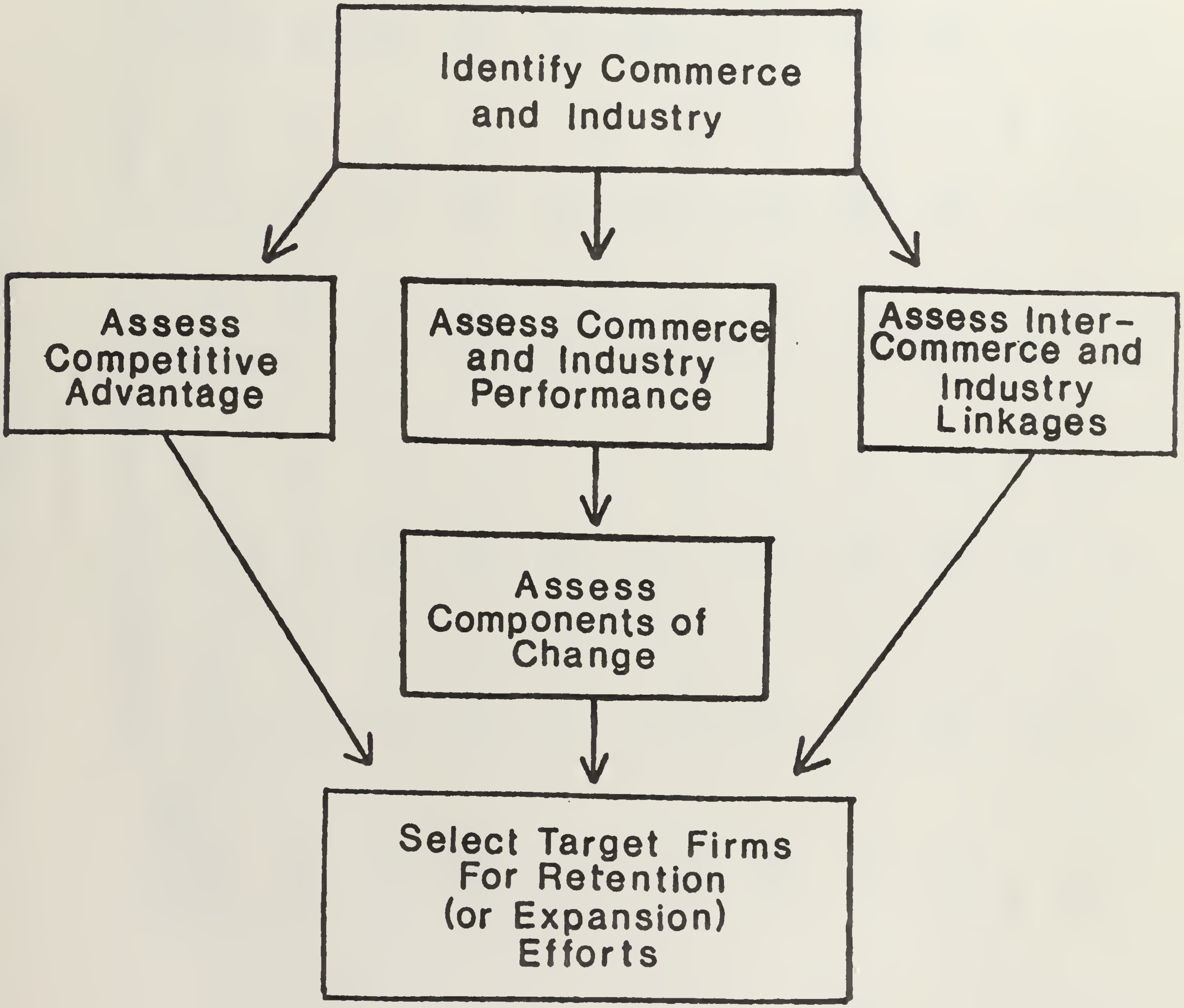
Also, please mark your calendar for April 6, 1983, as plans are well under way for this training session. We will be getting back to you in the near future.

We will plan to begin our session at 10:00 AM in Wirtz Hall, Conference Room #227 in the Marketing Department, and should be finished by approximately 2:30 PM. Hopefully you are moving along nicely on the marketing plan for your institution and will be able to share it with the other participants and representatives from commerce and industry.

Name of Educational Institution: ______________________________

Name	Position
1. ______________________	______________________
2. ______________________	______________________
3. ______________________	______________________

TARGETING FOR COMMERCE AND INDUSTRY RETENTION PROGRAMS


Identify Commerce and Industry
Assess Competitive Advantage
Assess Commerce and Industry Performance
Assess Inter-Commerce and Industry Linkages
Assess Components of Change
Select Target Firms For Retention (or Expansion) Efforts

COMPONENTS OF EMPLOYMENT CHANGE FOR "HIGH-TECH" INDUSTRIES
(1977 - 1982)
PREPARED BY THE ILLINOIS LABOR MARKET INFORMATION SERVICE

CHICAGO SMSA

		Employment & Establishment Growth						Employment & Establishment Decline						
	Employment Base(1977)	Births		Expansions		In-Migrations		Deaths		Contractions		Out-Migrations		New Listing
281 Ind. Chem.	9,172	57 (7)	0.6%	682 (25)	7.4%	0 (0)	0.0%	2,971 (51)	32.3%	1,526 (15)	16.6%	0 (0)	0.0%	3,540 (15)
282 Plastics	4,384	201 (6)	4.6%	585 (20)	13.3%	0 (0)	0.0%	746 (23)	17.0%	278 (8)	6.3%	0 (0)	0.0%	676 (6)
283 Drugs	13,530	23 (4)	0.2%	1,362 (13)	10.1%	0 (0)	0.0%	2,203 (52)	16.3%	233 (11)	1.7%	0 (0)	0.0%	793 (11)
357 Off/Comp. Mach	10,929	267 (21)	2.4%	996 (25)	9.1%	0 (0)	0.0%	3,388 (38)	31.0%	1,232 (14)	11.3%	0 (0)	0.0%	549 (19)
361 Elec. Dist. Eq.	27,523	106 (11)	0.4%	1,008 (30)	3.7%	0 (0)	0.0%	2,206 (25)	8.0%	17,160 (21)	62.3%	0 (0)	0.0%	452 (12)
362 Elec. ind. App.	11,765	120 (16)	1.0%	1,933 (57)	16.4%	4 (1)	0.03%	1,515 (30)	12.9%	366 (23)	3.1%	0 (0)	0.0%	131 (10)
364 Elec. L/W Eq.	17,984	833 (23)	4.6%	3,615 (72)	20.1%	0 (0)	0.0%	5,246 (65)	29.1%	553 (33)	3.1%	0 (0)	0.0%	2,665 (15)
366 Comm. Eq.	56,859	267 (16)	0.5%	5,179 (52)	9.1%	0 (0)	0.0%	19,306 (61)	33.9%	3,448 (21)	6.1%	12 (2)	-	1,006 (24)
367 Elec. Components	17,125	2,452 (46)	14.3%	3,612 (92)	21.1%	0 (0)	0.0%	5,731 (82)	33.5%	3,002 (56)	17.5%	2 (1)	-	1,025 (29)
369 Misc. Elec. Eq.	8,489	990 (13)	11.7%	1,019 (36)	12.0%	0 (0)	0.0%	3,659 (51)	43.1%	435 (17)	5.1%	0 (0)	0.0%	1,486 (12)
372 Aircraft & Parts	862	2 (1)	0.2%	236 (7)	27.4%	0 (0)	0.0%	75 (2)	8.7%	2 (1)	0.2%	0 (0)	0.0%	13 (2)
379 Misc. Trans. Eq.	338	8 (4)	2.4%	4 (2)	1.2%	0 (0)	0.0%	222 (8)	65.7%	0 (0)	0.0%	0 (0)	0.0%	0 (0)

COMPONENTS OF EMPLOYMENT CHANGE FOR "HIGH-TECH" INDUSTRIES
(1977 - 1982)
PREPARED BY THE ILLINOIS LABOR MARKET INFORMATION SERVICE

CHICAGO SMSA

		Employment & Establishment Growth			Employment & Establishment Decline			
	Employment Base(1977)	Births	Expansions	In-Migrations	Deaths	Contractions	Out-Migrations	New Listings
381 Eng. Sci. Instr.	5,667	215 3.8% (5)	374 6.6% (17)	0 0.0% (0)	1,194 21.1% (18)	511 9.0% (8)	1 0.02% (1)	578 (4)
382 Meas./Control Instr.	7,866	233 3.0% (28)	1,086 13.8% (45)	0 0.0% (0)	1,855 23.6% (48)	973 12.4% (28)	70 0.9% (1)	2,964 (29)
384 Medical Instr.	8,810	301 3.4% (27)	3,249 36.9% (51)	0 0.0% (0)	1,501 17.0% (59)	227 2.6% (23)	0 0.0% (0)	443 (17)
385 Opthalmic Goods	1,366	11 0.8% (3)	50 3.7% (7)	0 0.0% (0)	894 65.4% (22)	78 5.7% (9)	0 0.0% (0)	73 (3)
386 Photo Eq./Supp.	7,288	148 2.0% (8)	518 7.1% (29)	0 0.0% (0)	1,143 15.7% (23)	236 3.9% (20)	0 0.0% (0)	167 (12)
387 Watches/Clocks	1,741	16 0.9% (6)	378 21.7% (6)	0 0.0% (0)	705 40.5% (8)	9 0.5% (4)	0 0.0% (0)	23 (3)
Totals	211,698	6,250 (245)	25,886 (586)	4 (1)	54,560 (725)	30,319 (317)	25 (3)	16,634

LIST OF PERSONS ATTENDING MARCH 2, 1983 CONFERENCE

Adelaide Bannon
Job Developer/Competitive Ed.
College of Lake County
19351 West Washington
Grayslake, Illinois 60031

Fred Bourdelais
Dean, Career Ed.
Highland Community College
Pearl City Road
Freeport, Illinois 61032

Lynn Tolle Burger
Economic Development Liaison
Illinois Community College Board
3085 Stevenson Drive
Springfield, Illinois 62703

Kathy Dzekun[illegible]kas, Project Coordinator,
Blackhawk College (Business Resource &
6600 - 34th Avenue (Assistance Center)
Moline, Illinois 61265

Dr. Donald Foster
Dean of Instruction
Sauk Valley College
R.R. #5
Dixon, Illinois 61051

Beverly Hasan
College of Continuing Ed.
Northern Illinois University
Director, Professional Studies Outreach
DeKalb, Illinois 60115

David Kozlowski
Assoc. V.P. - Economic Development
Triton College
2000 Fifth Avenue
River Grove, Illinois 60171

Susan Oster
Director/Placement
Lake County College
19351 West Washington
Grayslake, Illinois 60031

Pam Selby
Elgin Community College
1700 Spartan Drive
Elgin, Illinois 60120

Bill Worth
Northern Illinois University
DeKalb, Illinois 60115

Steve Springer
Director/Career Programs
Lake County College
19351 West Washington
Grayslake, Illinois 60031

Keri Thiessen
Business/Industrial Training Coordinator
Lake County College
19351 West Washington
Grayslake, Illinois 60031

Eugene Wagner
Asst. Dean of Business & Technology
Sauk Valley College
R. R. #5
Dixon, Illinois 61051

Kathleen Rumsey
Lake County Planning Department
Room A-803
18 North County Street
Waukegan, Illinois 60085

John J. Powell
North Chicago Community High School
1840 17th Street
North Chicago, Illinois 60064

Joel D. Scheider
Stephenson Area Career Center
Pearl City Road
Freeport, Illinois 61032

Jan Staggs
Illinois Occupational Information
Coordinating Committee
217 East Monroe
Suite #203
Springfield, Illinois 62706

Dr. Robert Sheets
Director, Illinois Labor Market
Information Service
Northern Illinois University
DeKalb, Illinois 60115

Don Hannon
Illinois Labor Market Info. Serv.
Northern Illinois University
DeKalb, Illinois 60115

Kay Hall
Illinois Labor Market Ser.
Northern Illinois University
DeKalb, Illinois 60115

NORTH CHICAGO CHAMBER OF COMMERCE

presents a program on

"HOW CITIES AND TOWNS CAN HELP THEMSELVES IN ECONOMIC DEVELOPMENT"

THURSDAY, MARCH 24TH, 1983

PROGRAM

DINNER..........6:00 P.M.....North Chicago High School Cafeteria
Chicken and Roast Beef Dinner

INTRODUCTIONS....7:00 P.M..........William B. Snodgrass, Chairman
Economic Development
North Chicago Chamber of Commerce

PROGRAM.......................... Dr. E. Edward Harris, Director
Office of Business Research
Northern Illinois University

James A. Anderson, Executive Director
Commission for Economic Development
State of Illinois

Jack Sheehan, District Manager
Economic Development
Illinois Bell Telephone Company

PANEL DISCUSSION WITH
QUESTION & ANSWER PERIOD..Dr. E. Edward Harris, James A. Anderson,
Jack Sheehan, Dr. John Hunter, Pres. C.L.C.
Merv Pilotte, Director, L.C.A.V.C.
Virginia Fredricks, John Matijevich, State Reps.
Adeline Geo-Karis, State Senator
(Ms. Fredricks, Mr. Matijevich, & Ms. Geo-Karis will be present if they can leave Springfield soon enough that day.)

CLOSING REMARKS.........................Robert Byrne, President
North Chicago Chamber of Commerce

. . . .

Northern Illinois University
DeKalb, Illinois 60115

College of Business
Office of the Dean
Wirtz Hall
815 753 1755

TO: Selected Institutions Involved in Economic Development

FROM: E. Edward Harris, Director
Office of Business Research

RE: Economic Development Training Session on March 2, 1983

DATE: February 18, 1983

Northern Illinois University, in cooperation with the Illinois Labor Market Service, The Illinois Occupational Information Coordinating Committee, and the Illinois Department of Adult, Vocational and Technical Education is pleased to announce the availability of a special drive-in seminar to assist your institution in preparing and implementing its plan for economic development. The state of Illinois has, during the past few years, invested large sums of money to build a data base and system for disseminating information related to labor market and occupation information.

Dr. Bob Sheets and his staff will be with us during the morning to present information on how to utilize the Illinois Labor Market Service. The title of the presentation by Dr. Sheets will be "How to Assess Local Commerce and Industry's Performance for Business Assistance". Mr. Jan Staggs, Executive Director of the Illinois Occupational Information Coordinating Committee, will conduct a session entitled "How To Determine the Occupational and Training Implications of Commerce and Industry Performance Assessment. This presentation will build up the presentation of Dr. Sheets and his staff. We also believe that your local economic development personnel who are engaged in attracting and retaining commerce and industry in your area would also be interested in learning more about these services and their implications. Please feel free to invite a member of your local Economic Development Commission to join you for this meeting.

We are also planning to demonstrate a portion of a micro-computer software package that we have been working on to assist local economic development personnel in computing the cost of doing business. We think that both you and your local economic development commission representative will enjoy this demonstration.

The meeting will be held in the Heritage Room at Northern Illinois University from 10:00 AM to 3:00 PM on Wednesday, March 2, 1983. Please also mark your calendar also for April 6, 1983. On this day we will be asking you to share your marketing plans with the other participants in the training sessions. Bruce Campbell from Illinois Bell, Jim Anderson from the Illinois Commission for Economic Development, and Jack Stephens from Commonwealth Edison, and hopefully representatives from some additional firms, will be with us that day.

PLEASE RETURN THE ATTACHED FORM BY FEBRUARY 28, 1983.

Northern Illinois University is an Equal Opportunity/Affirmative Action Employer

Northern Illinois University

ECONOMIC DEVELOPMENT TRAINING SESSION ON MARCH 2, 1983

Name of Institution: ______________________________

Name	Position

PLEASE RETURN THIS FORM BY FEBRUARY 28, 1983.

Northern Illinois University
DeKalb, Illinois 60115

College of Business
Office of the Dean
Wirtz Hall
815 753 1755

MEMORANDUM

TO: Community College Presidents,
Superintendents of Secondary Schools,
Directors of Area Vocational Centers

FROM: E. Edward Harris, Director
Office of Business Research

DATE: December 20, 1982

SUBJECT: Repeat of Conference on The Marketing of Training Programs To Business and Industry

On December 15, 1982, Northern Illinois University in cooperation with the Department of Adult, Vocational, and Technical Education offered a training program entitled, "How To Design and Market Training Programs for Business and Industry" to assist the community colleges, area vocational centers, and secondary schools to improve the marketing of their programs to commerce and industry. A copy of the program that was presented is attached.

Because this conference was such a success and a number of individuals could not be in attendance because of other commitments and our limited space, a video-taped repeat of the program will be offered on Tuesday, January 11, 1983. The video tapes will be supplemented by numerous other materials including procedures for developing a marketing plan.

This first session will provide participants with the marketing tools they need to develop and deliver training programs to business and industry. The second session will be devoted to the review of marketing plans that the attendees develop between the first session on January 11, 1983 and the second session on February 2, 1983.

Institutions who desire to participate in the program will be asked to make a commitment to develop and implement their own marketing plan that will result in better training or workers to serve the needs of commerce and industry in their area. A team effort and commitment will be essential within each educational institution.

Northern Illinois University is an Equal Opportunity/Affirmative Action Employer

Please fill out the attached form below and return it prior to January 10, 1983, so that plans can be made for the involvement of your institution. The training program will be limited and participants will be selected on a first-come, first-serve basis. The training sessions will be held in the Wirtz Hall, Room #227 from 9:30 AM - 4:00 PM.

jg

Name of Educational Institution:____________________

Address:____________________ Zip________

Telephone:___A.C._______/____________

Name	Position
1.	
2.	
3.	
4.	
5.	

Return by January 10, 1983 to:

E. Edward Harris, Director
Office of Business Research
Wirtz Hall, Room 224
Northern Illinois University
DeKalb, Illinois 60115

HOW TO DESIGN AND MARKET TRAINING PROGRAMS FOR BUSINESS AND INDUSTRY

Holmes Student Center
Northern Illinois University
December 15, 1982

9:00-9:30 REGISTRATION AND COFFEE

9:15-9:30 PRE-CONFERENCE INFORMATIONAL SESSION

9:30-10:30 THE CHALLENGE

Welcome--William R. Monat, President
Northern Illinois University

Conference Overview--E. Edward Harris, Director
Office of Business Research

Economic Development and Employment Training State of Illinois Priorities--James A. Anderson, Executive Director, State of Illinois Commission for Economic Development
and
Peter L. Johnson, Executive Director
State of Illinois Advisory Council for Vocational Education

What Can Education Do To Better Serve The Needs of Business and Industry--Jack Sheehan, District Manager, Economic Development, Illinois Bell

The Role of Education at all Levels in Economic Development and Employment Training--E. Edward Harris, Director, Office of Business Research, Northern Illinois University

10:30-12:00 DEVELOPING AND MARKETING TRAINING PROGRAMS

Kathleen Orozco, Associate Vice-President of Marketing
Moraine Valley College and

A. H. (Cary) Kizilbash, Professor, Department of Marketing, Northern Illinois University

* An Overview of Marketing
* Internal Assessment (Distinctive Competencies)
  Consistent with organizational mission
  Requires support from the top
  Identify resources
  a. Strengths
  b. Weaknesses
  c. Constraints

- External Assessment (Segmentation)
  - Environmental scanning
  - Management Report
  - Focus groups
  - One to one meetings with employees
  - Public and private meetings with local government and business groups
- Competition Assessment

12:00-1:15 LUNCH ON OWN AND INFORMAL SMALL GROUP WORK SESSIONS BY GEOGRAPHIC AREA--BLACK HAWK CAFETERIA (EAST)

1:15-3:50 CREATING YOUR MARKETING PLAN

Kathleen Orozco, A. H. (Cary) Kizilbash and
Linda Hartwig, Director of Economic Development,
Moraine Community College

- Introduction
- Diagnosis - current situation
- Prognosis - future situation
- Objectives - what you need to do given results of diagnosis and prognosis
- How to achieve objectives
  - Product
  - Place
  - Price
  - Promotion
- Tactics
  - Positioning
  - Organization operational unit
  - Co-sponsored programs
  - Customized training on site
  - Generic seminars
- Control
- Small group work session by type of educational agency
- Small group progress reports

3:50-4:00 NEXT STEPS

This conference and the Marketing Training Program are part of the Funded Proposal by the Department of Adult, Vocational, and Technical Education, Illinois State Board of Education.

December 20, 1982

Dr. William R. Monat
President
Northern Illinois University
DeKalb, Illinois 60115

Dear Bill,

The conference on "How To Design and Market Training Programs" that was held on December 15, 1982, was a most successful one thanks to the contribution that you and the other presenters made. I am sure you are looking forward, as I am, to our meeting on February 2, 1983, when we have an opportunity to look at the marketing plans that were developed.

Bill, I am most grateful to you for not only giving the welcome, but also for your continuing support of the model that we have been working on this past year entitled "Northern Illinois Regional Economic Development and Human Resources Consortium - A Marketing Strategy Approach". You will be pleased to know that I have scheduled another training session on January 11, 1983 at which time we hope to bring on to campus those individuals who couldn't join us and train them using the video tapes and other related materials.

Thank you again for giving the welcome and for your continuing support. Best wishes to you and to Jo for a most joyous holiday season.

Sincerely,

E. Edward Harris, Director
Office of Business Research

EEH/jg

December 20, 1982

Mr. James A. Anderson
Executive Director
Commission for Economic Development
State of Illinois
222 South College
Springfield, Illinois 62721

Dear Jim,

The conference on "How To Design and Market Training Programs" that was held on December 15, 1982, was a most successful one thanks to the contributions that you and the other presenters made. I am sure you are looking forward, as I am, to our meeting on February 2, 1983, when we have an opportunity to look at the marketing plans that were developed.

Jim, I am most grateful to you for keynoting the conference and for your continuing support of the model that we have been working on this past year entitled "Northern Illinois Regional Economic Development and Human Resources Consortium - A Marketing Strategy Approach". Your presentation clearly set the stage for what I feel was truly a most outstanding day. I am now in the process of setting up another training session with the video tapes,,at which time, we will open the meeting up not only to those who were unable to attend, but also to some additional schools. I will use the video tapes and then supplement with additional information.

Thank you also for sending the letter and materials to Dick Wagner and thanks again for your continuing support and I will look forward to working with you as we work to improve the economic climate in the state of Illinois.

Best wishes to you for a joyous holiday season.

Sincerely,

E. Edward Harris, Director
Office of Business Research

EEH/jg

Northern Illinois University
DeKalb, Illinois 60115

College of Business
Office of the Dean
Wirtz Hall
815 753 1755

MEMORANDUM

TO: Participants in the Conference of The Marketing of Training Programs To Business and Industry

FROM: E. Edward Harris, Director
Office of Business Research EEH

DATE: January 20, 1983

SUBJECT: Tentative Agenda For February 2, 1983 Meeting

Hope things are moving along nicely on your marketing plans. I am pleased to be able to tell you that Dr. Kenneth F. Huddleston will be with us on February 2, 1983. During this past year, Dr. Huddleston completed a post-doctoral fellowship at the Ohio State University. As a part of his research, he visited a number of states to learn what they are doing to attract business and industry. He also analyzed the problem of declining productivity in America and during the past few months has served as a task force leader to develop an economic development planning process in the state of Wisconsin. Dr. Huddleston will make a series of presentations as follows: (1) If Productivity Is The Problem?,(2) Why Is The South Effective in Attracting Business and Industry?, and (3) The Economic Development Process in Wisconsin.

Following the series of presentations in the morning and lunch, we will be asking each of your institutions to report on your local marketing plans and our business and industry panel to respond to your reports. Mr. Bruce Campbell, Division Manager of Economic Development for Illinois Bell, Mr. James Anderson, the Executive Director of the State of Illinois Commission for Economic Development, Dr. A. H. (Cary) Kizilbash, and Ms. Kathleen Orozco will be available to react and to assist you with your marketing plans.

We will plan to start our session promptly at 10:00 am in the Heritage Room of the Holmes Student Center and to adjourn no later than 3:00 pm. Please feel free to bring additional staff with you. Please do return the form that we mailed to you earlier so that we can make plans for our meeting. You will be pleased to know that the tapes of the first meeting did turn out very well and should be excellent for you to use in various economic development projects in your communities.

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LIST OF THOSE ATTENDING FEBRUARY 2, 1983 CONFERENCE

James A. Anderson
Executive Director
Commission for Economic Development
State of Illinois
222 South College
Springfield, Illinois 62721

Adelaide Bannon
Co-operative Education
Lake County College
19351 West Washington
Grayslake, Illinois 60031

Bruce Campbell
Div. Manager, Economic Development
Illinois Bell
406 East Monroe Street
Springfield, Illinois 62721

Bob Cannon
Director of Special Training
Illinois Valley Community College
Rural Route One
Oglesby, Illinois 61348

Dr. Donald J. Foster
Dean of Instruction
Sauk Valley College
R. R. 5
Dixon, Illinois 61051

Jim Gray (Dean/Community Services)
McHenry County College
Rt. 14 & Lucas Road
Crystal Lake, Ill. 60014

Beverly Hasan
Director, Professional Studies Outreach
College of Continuing Education
Northern Illinois University
DeKalb, Illinois

Dr. Richard Hofstrand
Illinois Dept. of Adult, Voc. &
Technical Education
Springfield, Illinois 62706

Kenneth Huddleston
Business Education Coordinator
Fox Valley Technical Institute
1825 N. Bluemound Drive
P. O. Box 2277
Appleton, Wisconsin 54913

A. H. (Cary) Kizilbash
Professor, Department of Marketing
Northern Illinois University
DeKalb, Illinois

Donna Martin
Publications Manager
Kishwaukee College
Malta Road
Malta, Illinois 60150

Jerry Newell
Vocational Director
Community Unit School Dist. #300
405 N. 6th
Dundee, Illinois 60118

Kathleen Orozco
Associate Vice-President of Marketing
Moraine Valley Community College
10900 South 88th Avenue
Palos Hills, Illinois 60465

Susan Oster
Director/Placement
Lake County College
19351 West Washington
Grayslake, Illinois 60031

John Powell
North Chicago High School
1717 - 17th Street
North Chicago, Illinois 60064

Steve Springer
Director/Career Programs
Lake County College
19351 West Washington
Grayslake, Illinois 60031

John P. (Jack) Stephens
Coordinator/Economic Development
Commonwealth Edison
1st National Plaza
P. O. Box 767
Chicago, Illinois 60690

Bob Terry
North Chicago High School
1717 - 17th Street
North Chicago, Illinois 60064

Keri Thiessen
Business/Industrial Training Coordinator
Lake County College
19351 West Washington
Grayslake, Illinois 60031

LIST OF THOSE ATTENDING FEBRUARY 2, 1983 CONFERENCE (Continued.)

Eugene Wagner
Assistant Dean of Business and Technology
Sauk Valley College
R. R. #5
Dixon, Illinois 61051

Bill Worth
Northern Illinois University
DeKalb, Illinois

Northern Illinois University

TO: SELECTED INDIVIDUALS AND INSTITUTIONS PARTICIPATING IN THE NORTHERN ILLINOIS UNIVERSITY MANAGEMENT MODEL FOR ECONOMIC DEVELOPMENT.

FROM: E. EDWARD HARRIS
DIRECTOR, OFFICE OF BUSINESS RESEARCH

SUBJECT: COPIES OF TRANSPARENCIES AND OTHER MATERIALS FROM DR. A.H. KIZILBASH

DATE: JANUARY 10, 1983

Attached you will find xerox copies of the transparencies that Dr. Kizilbash used during his presentation that a number of you had requested. Dr. Kizilbash has also been kind enough to provide us with some selected readings from a book that he highly recommends:

G. David Hughes,
MARKETING MANAGEMENT, A Planning Approach,
Addison-Wesley Publishing Co.,
1978.

I do hope that you are moving along nicely on your marketing plans and that this information will be of value to you. We will look forward to seeing you on February 2 in the Heritage Room at the Holmes Student Center. Please feel free to contact me if I can be of any further assistance to you. We plan to begin at 10:00 AM and hope to be done by 3:00 PM. Will you please fill in the form below indicating who will be representing your institution and return it to me some time prior to January 26, 1983, so that we can make plans for the refreshment breaks and seating.

Name of Educational Institution: ______________________________

Name	Position
1. ______________________	______________________
2. ______________________	______________________
3. ______________________	______________________
4. ______________________	______________________

Northern Illinois University
DeKalb, Illinois 60115

College of Business
Office of the Dean
Wirtz Hall
815 753 1755

TO: INDIVIDUALS PARTICIPATING IN THE DEVELOPMENT OF MARKETING PLANS WHO WERE UNABLE TO ATTEND SESSION #2 ON FEBRUARY 2, 1983

FROM: E. EDWARD HARRIS, DIRECTOR
OFFICE OF BUSINESS RESEARCH

SUBJECT: REPEAT OF SESSION #2 "HOW TO DESIGN AND MARKET TRAINING PROGRAMS FOR COMMERCE AND INDUSTRY"

DATE: FEBRUARY 10, 1983

Because of the inclement weather and the fact that a number of individuals had commitments in Springfield, we have decided to conduct a repeat of Session #2 on How To Design and Market Training Programs For Commerce and Industry on Thursday, February 24, 1983.

As some of you may have heard, the highlight of the session was a series of presentations by Dr. Kenneth Huddleston who has, during the past two years, worked to develop a strategic plan for economic development for both his institution and the state of Wisconsin. We do have a limited number of copies of this document available as a part of our total training package.

I do hope that you can join us on Thursday, February 24, 1983 for the repeat of How To Design and Market Training Programs For Commerce and Industry. Hopefully, we will have better cooperation from the weatherman on this date. We will plan to begin our session at 10:00 AM in Wirtz Hall, Conference Room #227 in the Marketing Department, and should be finished by approximately 2:30 PM. Attached you will find a copy of a paper that I presented on February 2, that I would like to discuss with you. If possible, will you please try to read this prior to our meeting. Please fill in the form below indicating who will be representing your institution and return it to me some time prior to February 18, 1983, so that we can make plans for materials and space.

Also, please mark your calendar for March 2, 1983 and April 6, 1983, as plans are well under way for these two training sessions and we will be getting back to you in the near future.

Name of Educational Institution:______________________________

Name	Position
1.______________________________	______________________________
2.______________________________	______________________________
3.______________________________	______________________________

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HOW TO DESIGN AND MARKET TRAINING PROGRAMS FOR BUSINESS AND INDUSTRY

Holmes Student Center
Northern Illinois University
December 15, 1982

9:00-9:30 REGISTRATION AND COFFEE

9:15-9:30 PRE-CONFERENCE INFORMATIONAL SESSION

9:30-10:30 THE CHALLENGE

Welcome--William R. Monat, President
Northern Illinois University
Conference Overview--E. Edward Harris, Director
Office of Business Research
Economic Development and Employment Training State of Illinois Priorities--James A. Anderson, Executive Director, State of Illinois Commission for Economic Development
and
Peter L. Johnson, Executive Director
State of Illinois Advisory Council for
Vocational Education
What Can Education Do To Better Serve The Needs of Business and Industry--Jack Sheehan, District Manager, Economic Development, Illinois Bell
The Role of Education at all Levels in Economic Development and Employment Training--E. Edward Harris, Director, Office of Business Research, Northern Illinois University

10:30-12:00 DEVELOPING AND MARKETING TRAINING PROGRAMS

Kathleen Orozco, Associate Vice-President of Marketing
Moraine Valley College and

A. H. (Cary) Kizilbash, Professor, Department of Marketing, Northern Illinois University

* An Overview of Marketing
* Internal Assessment (Distinctive Competencies)
  Consistent with organizational mission
  Requires support from the top
  Identify resources
  a. Strengths
  b. Weaknesses
  c. Constraints

- External Assessment (Segmentation)
    - Environmental scanning
    - Management Report
    - Focus groups
    - One to one meetings with employees
    - Public and private meetings with local government and business groups
- Competition Assessment

12:00-1:15 LUNCH ON OWN AND INFORMAL SMALL GROUP WORK SESSIONS BY GEOGRAPHIC AREA--BLACK HAWK CAFETERIA (EAST)

1:15-3:50 CREATING YOUR MARKETING PLAN

Kathleen Orozco, A. H. (Cary) Kizilbash and
Linda Hartwig, Director of Economic Development,
Moraine Community College

- Introduction
- Diagnosis - current situation
- Prognosis - future situation
- Objectives - what you need to do given results of diagnosis and prognosis
- How to achieve objectives
    - Product
    - Place
    - Price
    - Promotion
- Tactics
    - Positioning
    - Organization operational unit
    - Co-sponsored programs
    - Customized training on site
    - Generic seminars
- Control
- Small group work session by type of educational agency
- Small group progress reports

3:50-4:00 NEXT STEPS

This conference and the Marketing Training Program are part of the Funded Proposal by the Department of Adult, Vocational, and Technical Education, Illinois State Board of Education.

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Northern Illinois University
DeKalb, Illinois 60115

College of Business
Office of the Dean
Wirtz Hall
815 753 1755

MEMORANDUM

TO: Community College Presidents,
Superintendents of Secondary Schools,
Directors of Area Vocational Centers

FROM: E. Edward Harris, Director EEH
Office of Business Research

DATE: November 23, 1982

SUBJECT: Economic Development

Research conducted at Northern Illinois University shows that education at all levels does have an important role to play in economic development. One of the greatest needs expressed by educators relative to economic development is the need for assistance in how to market their services.

Northern Illinois University in cooperation with the Department of Adult, Vocational, and Technical Education is offering a training program entitled, "How To Design and Market Training Programs for Business and Industry" to assist the community colleges, area vocational centers, and secondary schools to improve the marketing of their programs to commerce and industry.

The first session will be held on Wednesday, December 15, 1982, and will be built around the following topical outline:

I. Economic and Technological Scenario

II. Need for Business and Education Partnership in Training
    A. Business and Industry
    B. Society
    C. Educational Institutions

III. What Role Can Education Play and How to Gain Cooperation With Other Institutions and Agencies

IV. The Overview of the "Model" for Training
    A. Overview of Marketing
    B. Know Competition
    C. Distinctive Capabilities and Resources of Institution
    D. Needs Assessment
    E. Development of Programs and Strategies to Meet Needs of Business and Match Capabilities of Agencies of "What We Plan To Do For Whom and Why"

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F. Tactics
  1. How to Write and Present Proposal
  2. How to Project Correct Image of Institution
  3. How to Assemble Resources and Gain Cooperation Internally
  4. How to Creatively Fulfill Unmet Needs
  5. How to Develop Communication Vehicles
  6. How to Use Referral System for Prospecting (Program Evaluations and Review - "4P's")
  7. Checklist of Successful Program Planners and Development Product Champion
  8. How to Talk Buyers' Language
  9. Unanticipated Benefits
    (a) Institution
    (b) Individual

V. Mock Demonstrations
  A. Equipment Contribution
  B. Securing New Business
  C. Additional Possible Scenarios - What Kind of Situations May Be Encountered

The second session of the training program will be held on February 2, 1983, and will be primarily devoted to assisting with problems encountered in developing and implementing the local marketing plan that was developed following the first session in December.

The staff for the training program includes Kathleen Orozco, Moraine Valley Community College, Askari Kizilbash, Northern Illinois University, James Anderson, Commission for Economic Development, and Bruce Campbell, Illinois Bell. This seminar which is supported by the Department of Adult, Vocational and Technical Education will be designed specifically for individuals in positions such as those with responsibilities in areas such as economic development, community relations, placement, vocational education, career education, and planning.

The first session will provide attendees with the marketing tools they need to develop and deliver training programs to business and industry. The second session will be devoted to the review of marketing plans, attendees will prepare and test between the first session, December 15, and the second on February 2. This will provide the institutions represented with a marketing plan that if pursued, will result in new training business for the school as well as contribute to the economic health of their region.

Institutions who desire to participate in the program will be asked to make a commitment to develop and implement their own marketing plan that will result in better training or workers to serve the needs of commerce and industry in their area. A team effort and commitment will be essential within each educational institution.

Please fill out the attached form below and return it prior to December 8, 1982, so that plans can be made for the involvement of your institution. The training program will be limited and participants will be selected on a first-come, first-serve basis. The training sessions will be held in the Heritage Room, Holmes Student Center, from 9:00 a.m. to 4:00 p.m.

lr

Name of Educational Institution: ______________________________

Address: ______________________________ Zip ____________

Telephone: A.C. / ______________________

Name	Position
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Return by December 8, 1982, to:

E. Edward Harris, Director
Office of Business Research
Wirtz Hall, Room 224
Northern Illinois University
DeKalb, IL 60115

OPENING REMARKS 12/15/82

THANK YOU FOR ACCEPTING THE CHALLENGE TO JOIN US AS WE WORK TO DESIGN AND IMPLEMENT STRATEGIES TO IMPROVE THE ECONOMIC CONDITIONS IN THE NORTHERN ILLINOIS AREA. AS YOU NOTED IN THE INVITATION FOR THIS CONFERENCE, THE MAJOR OBJECTIVE OF THIS PHASE OF THE RESEARCH PROJECT THAT IS SUPPORTED BY THE DEPARTMENT OF ADULT, VOCATIONAL AND TECHNICAL EDUCATION, IS TO DESIGN AND IMPLEMENT A MARKETING PLAN FOR THE DEVELOPMENT AND MARKETING OF TRAINING PROGRAMS THAT ARE RESPONSIVE TO THE NEEDS OF BUSINESS AND INDUSTRY.

AT THIS TIME, IT IS MY PLEASURE TO INTRODUCE DR. WILLIAM MONAT, PRESIDENT OF NORTHERN ILLINOIS UNIVERSITY. DR. MONAT HAS DURING THE PAST YEAR PROVIDED STRONG SUPPORT AND ENCOURAGEMENT TO THIS AND OTHER ECONOMIC DEVELOPMENT THRUSTS WITHIN THE UNIVERSITY.

PRESIDENT MONAT!

Remarks By
President William Monat
December 15, 1982, Heritage Room
Holmes Student Center

First, I would like to welcome you to Northern Illinois University. It is nice to see so many of our friends here today as we work together as a team from business, education and government to help improve not only our economy, but the way of life in northern Illinois. I find it particularly significant that we are meeting today to improve the economy and the state at the same time that Governor Thompson and other state leaders are implementing strategies to readjust spending because of decreased state revenues.

As you well know, the state of Illinois has the third highest rate of unemployment and is facing a restructuring of business and industry including a careful study of the role of entrepreneurship and high technology in economic development. The successful restructuring of business and industry will impact on education on all levels: 1) it redefines the employment composition and, thereby, the research, education, training and retraining needs; 2) it will impact on the funding base for education; 3) it will create a greater demand for a higher level and number of skilled professionals. This restructuring requires that education design and implement both short-term and long-term plans to meet the ever changing and increasing demands by business and industry for research, education, training and retraining. Given the severity of the unemployment condition in Illinois, if education does not take a leadership role in the development of training and retraining plans and programs, the educational system should be mandated by the governor and the legislature to do so because economic development is critical to the survival of the state.

You are to be congratulated for your dedication and vision as you and your institutions participate in one phase of a comprehensive economic development program that we believe will make significant short- and long-term differences in our communities--"How To Design and Market Training Programs for Business and Industry."

Northern Illinois University has established economic development as a major goal, and has, within the past year, been successful in securing significant private and public sector support for economic development activities in excess of $150,000. In the next few weeks, I will be formulating two presidential commissions.

The Presidential Economic Development Commission will be designed to be responsive to education, training, and technical assistance needs of business and industry. This commission which will determine the role and function of the university in economic development and design a system for matching the needs of business and industry with the capabilities of the University.

The Presidential Commission on Science and Technology which will operate under the leadership of Dr. Clyde Kimball, a distinguished scientist, will be working to match the capabilities of the research and scientific faculties of Northern Illinois University with the needs of business and industry.

We are also looking forward to working with you and your organization as the Northern Illinois Regional Management Model for Economic and Human Resource Development is implemented. I am sure you are looking forward to learning more about this model and its implementation. Best wishes to you in your deliberations today and as you work to develop your marketing plans.

I will look forward to meeting with you again on February 2, 1983.

LIST OF PERSONS ATTENDING DECEMBER 15, 1982 CONFERENCE

(Community Colleges)

Adelaide Bannow
Job Developer/Competitive Ed.
College of Lake County
19351 West Washington
Grayslake, Illinois 60031

Fred Bourdelais
Chairperson/Vocational-Technical
Highland Community College
Pearl City Road
Freeport, Illinois 61032

Robert L. Cannon
Director of Special Training
Illinois Valley Community College
Rural Route One
Oglesby, Illinois 61348

Ron Chapman
Division Chairman, Business
McHenry County College
Rt. 14 & Lucas Road
Crystal Lake, Illinois 60014

John Conrath
Economic Development Coordinator
Elgin Community College
1700 Spartan Drive
Elgin, Illinois 60120

F. Jeanette Crum
Director, Business & Ind. Dev.Center
Kishwaukee College
Malta Road
Malta, Illinois 60150

Joe Dockeny-Jackson
Director/Adult Contin. Education
Blackhawk College
6600 - 34th Avenue
Moline, Illinois 61265

Edward Fauth
Assoc. Dean of Open Campus
Waubonsee Community College
Route 47 at Harter Road
Sugar Grove, Illinois 60554

Donald Foster
Dean of Instruction
Sauk Valley College
R. R. 5
Dixon, Illinois 61051

DeWayne Frey
Dean of Career Programs
Blackhawk College
6600 - 34th Avenue
Moline. Illinois 61265

Jim Gray
Dean, Community Services
McHenry County College
Rt. 14 & Lucas Road
Crystal Lake, Illinois 60014

Dave Lewis
Dean, Administration
Kishwaukee College
Malta Road
Malta, Illinois 60150

Donna Martin
Publications, Production
Kishwaukee College
Malta Road
Malta, Illinois 60150

Susan Oster
Director of Placement
College of Lake County
19351 West Washington
Grayslake, Illinois 60031

Norman Paul
Associate Dean, Business & Technology
Waubonsee Community College
Route 47 at Harter Road
Sugar Grove, Illinois 60554

Guadalupe Reyes, Jr.
Assistant Dean, CE&CS
Blackhawk College
6600 - 34th Avenue
Moline, Illinois 61265

Jim Sailors
In-Plant Training
McHenry County College
Rt. 14 & Lucas Road
Crystal Lake, Illinois 60014

Community Colleges:

Dennis Sienko
Director of Occupational Relations
Elgin Community College
1700 Spartan Drive
Elgin, Illinois 60120

Otto Schweinberger
Dean, Continuing Ed. & Community Services
Blackhawk College
6600 - 34th Avenue
Moline, Illinois 61265

Steve Springer
Director of Career Programs
College of Lake County
19351 West Washington
Grayslake, Illinois 60031

Becky Strong
Director, Community Education
McHenry County College
Rt. 14 & Lucas Road
Crystal Lake, Illinois 60014

Keri E. Thiessen
Business/Indust. Training Coordinator
College of Lake County
19351 West Washington
Grayslake, Illinois 60031

Leland R. Thompson
Dean, Business, Industrial & Comm.Serv.Programs
Waubonsee Community College
Rt. 47 at Harter Road
Sugar Grove, Illinois 60554

Eugene Wagner
Assistant Dean of Business and Technology
Sauk Valley College
R. R. 5
Dixon, Illinois 61051

Area Vocational Centers:

Harvey L. Bos
Director
Mid Valley Area Vocational Center
R. R. #1
Maple Park, Illinois 60151

Area Vocational Centers:

Charles Endress
Stephenson Area Career Center
Pearl City Road
Freeport, Illinois 61032

Dick Glogovsky
Assistant Director
Lake County Area Vocational Center
19525 West Washington
Grayslake, Illinois 60030

Mike Hanlin
Director
United Township Area Vocational Center
Archer & 42nd Street
East Moline, Illinois 61244

Beverly Hasan
Director/College of Continuing Education/
Northern Illinois University
DeKalb, Illinois 60115

Tom Lonergan
Coordinator
United Township Area Vocational Center
Archer & 42nd Street
East Moline, Illinois 61244

Everett Worrell
Director
Rockford Area Vocational Center
5125 35th Street
Rockford, Illinois 61109

Comprehensive High Schools:

Donald D'Amico
Superintendent
St. Charles School District #303
210 South Fifth Street
St. Charles, Illinois 60174

Fred E. Fox
Director of Alt. Ed. & Comm. Services
Aurora East School District #131
417 Fifth Street
Aurora, Illinois 60505

Jerry Newell
Vocational Director
Community Unit School District #300
405 North 6th Street
Dundee, Illinois 60118

Comprehensive High Schools:

Sr. Chief Leslie Smith
Navy Representative to the Board
North Chicago Community High School
1717 - 17th Street
North Chicago, Illinois 60064

Mel Smith
Superintendent
Rochelle Twp. High School
1070 North 7th Street
Rochelle, Illinois 61068

William B. Snodgrass
Superintendent
North Chicago Community High School
1717 - 17th Street
North Chicago, Illinois 60064

John Vanko
Assistant Superintendent
St. Charles School District #303
210 South Fifth Street
St. Charles, Illinois 60174

Northern Illinois University
DeKalb, Illinois 60115

College of Business
Office of the Dean
Wirtz Hall
815 753 1755

MEMORANDUM

TO: Participants in the Conference of The Marketing of Training Programs To Business and Industry

FROM: E. Edward Harris, Director
Office of Business Research EEH

DATE: December 22, 1982

SUBJECT: Preparation of Marketing Plan

Happy New Year! I hope as you return back to school from a most deserved vacation, that you are ready to begin working on your marketing plan. To assist you with your endeavors, I am enclosing for you another copy of the guide for preparing a marketing plan that Kathleen Orozco provided you with together with other related materials. We are trying to secure copies of the transparencies from Dr. Cary Kizilbash and will forward them on to you as soon as we have received them.

You will be pleased to know that we will be repeating the session that you had here at Northern on January 11, 1983, using the video tapes that we took earlier. If you have anybody else from your school who would like to attend the session, it will begin at 9:30 AM in Wirtz Hall, Room #227.

If by chance, as you are working on your marketing plan, you run into any snags, please feel free to give me a call at 815/753-1298, and I will either try to assist you myself or secure assistance either from Kathy or Cary.

We are already making plans for February 2, 1983 meeting that I believe will be of assistance to you in your institution. We, however, are counting on you to complete your marketing plans because sharing of marketing plans will be an important part of the day. Please mark your calendar now if you haven't done so already for Wednesday, February 2, 1983. We again will plan for an all-day session. We also hope to be providing you with information on additional training sessions relative to utilization of labor market data and other similar activities in the near future. Please don't hesitate to call me if I can assist you with your marketing plan.

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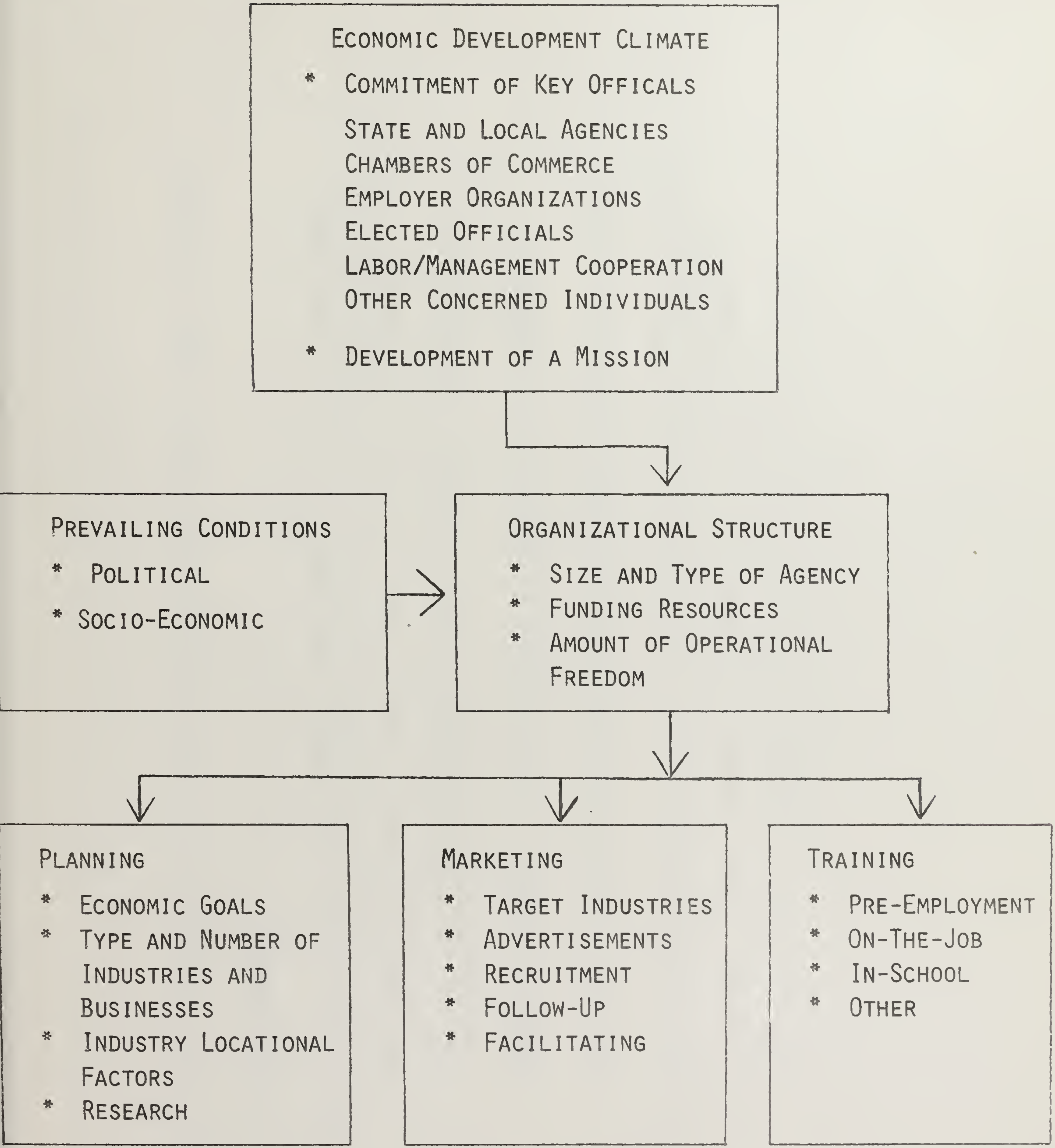
ORGANIZING FOR ECONOMIC DEVELOPMENT



ECONOMIC DEVELOPMENT CLIMATE

- Commitment of Key Officals
  - State and Local Agencies
  - Chambers of Commerce
  - Employer Organizations
  - Elected Officials
  - Labor/Management Cooperation
  - Other Concerned Individuals
- Development of a Mission

PREVAILING CONDITIONS

- Political
- Socio-Economic

ORGANIZATIONAL STRUCTURE

- Size and Type of Agency
- Funding Resources
- Amount of Operational Freedom

PLANNING

- Economic Goals
- Type and Number of Industries and Businesses
- Industry Locational Factors
- Research

MARKETING

- Target Industries
- Advertisements
- Recruitment
- Follow-Up
- Facilitating

TRAINING

- Pre-Employment
- On-The-Job
- In-School
- Other

1. WHAT CONCERNS DO YOU HAVE RELATIVE TO YOUR SCHOOL'S ROLE IN ECONOMIC DEVELOPMENT?
2. IF YOUR SCHOOL IS TO INCREASE INVOLVEMENT IN ECONOMIC DEVELOPMENT, WHAT ARE THE SUPPORTIVE SERVICES WHICH WOULD BE NEEDED BY AN INSTITUTION SUCH AS NORTHERN ILLINOIS UNIVERSITY AND YOUR LOCAL COMMUNITY COLLEGE? DO YOU CURRENTLY HAVE NEEDS FOR SUPPORTIVE SERVICES, TECHNICAL ASSISTANCE, OR OTHER UNMET NEEDS IN THIS AREA?
3. WHAT ARE THE CURRENT CONTRIBUTIONS THAT YOUR SCHOOL DISTRICT PROGRAM ARE MAKING TOWARD ECONOMIC DEVELOPMENT IN YOUR LOCAL COMMUNITY? WHAT ACTIVITIES OR PROGRAMS ARE BEING PLANNED FOR THE FUTURE?

ROLE OF PUBLIC ELEMENTARY AND SECONDARY SCHOOLS IN ECONOMIC DEVELOPMENT AS PERCEIVED BY SCHOOL ADMINISTRATORS

1. HELP STUDENTS IN CAREER DEVELOPMENT PROCESS

2. HELP STUDENTS AND TEACHERS TO ACQUIRE ECONOMIC LITERACY

3. HELP STUDENTS TO ACQUIRE SURVIVAL SKILLS SUCH AS PERSONAL-LIFE SKILLS, PERSONAL AND INTERPERSONAL RELATIONSHIPS, INFORMATIONAL SKILLS, RESOURCE MANAGEMENT, SOCIAL SYSTEM SKILLS, TECHNOLOGICAL LITERACY, SAFETY, ETC.

4. HELP STUDENTS TO ACQUIRE EMPLOYABILITY SKILLS--ENTRY LEVEL AND UPGRADING

5. INFORM AND SECURE SUPPORT OF ADMINISTRATORS WHO IN TURN WILL INFORM TEACHERS, STUDENTS, AND PARENTS OF THE IMPORTANCE OF ECONOMIC DEVELOPMENT TO A COMMUNITY

* 6. CREATE AN EFFECTIVE PUBLIC RELATIONS PROGRAM ON THE CONTRIBUTIONS OF EDUCATION TO THE "QUALITY OF LIFE" AND MARKET THIS PROGRAM TO CURRENT AND PROSPECTIVE BUSINESS EXECUTIVES AND THEIR FAMILIES

* 7. MAKE BUSINESS AND INDUSTRY PARTNERS IN EDUCATION BY ACHIEVING AN EFFECTIVE DIALOGUE WITH LEADERS IN BUSINESS AND INDUSTRY AND SECURE THEIR SUPPORT IN COMMUNICATING EDUCATIONAL ACCOMPLISHMENTS AND IN GAINING LEGISLATIVE SUPPORT

8. HELP STUDENTS ACQUIRE BASIC SKILLS

ROLE OF COMMUNITY COLLEGES IN ECONOMIC DEVELOPMENT AS PERCEIVED BY COMMUNITY COLLEGE ADMINISTRATORS

1. COMMUNITY COLLEGES ARE SEEN AS A PLUS TO A COMMUNITY WHEN ATTEMPTING TO ATTRACT NEW BUSINESS AND INDUSTRY

2. COMMUNITY COLLEGES PROVIDE A LABOR POOL AS WELL AS TRAINING RESOURCES

3. COMMUNITY COLLEGE STAFF ARE ACTIVE IN CHAMBERS, COMMITTEES AND CIVIC PROJECTS

4. COMMUNITY COLLEGES PROVIDE STRONG ADVISORY COMMITTEE MEMBERS TO THE LOCAL CHAMBERS OF COMMERCE

* 5. COMMUNITY COLLEGES HELP MARKET THE LOCAL LABOR, COMMUNITY PROJECTS, BUSINESS AND INDUSTRIES

6. COMMUNITY COLLEGES PROVIDE A PLACE FOR MEETINGS AND ACTIVITIES OF THE COMMUNITY

7. COMMUNITY COLLEGES WORK TO PROVIDE AND MAINTAIN WHAT BUSINESS AND INDUSTRY SEE AS ESSENTIAL TO A COMMUNITY:
    --LEISURE TIME ACTIVITIES TO ATTRACT QUALITY EMPLOYEES
    --A CONSULTANT POOL WITHIN A CLOSE AREA

8. SOME COMMUNITY COLLEGES ARE BEGINNING TO OFFER WRITING AND TECHNICAL ASSISTANCE IN GRANT PREPARATION

SPECIFIC EXAMPLES OF HOW COMMUNITY COLLEGES HELP IN THE ECONOMIC DEVELOPMENT PROCESS

* PROVIDING FULL-TIME ASSOCIATE DEGREE AND VOCATIONAL DIPLOMA PROGRAMS THAT ARE TECHNICALLY CURRENT AND IN DEMAND;

* PROVIDING IN-PLANT TRAINING FOR WORKERS ALREADY EMPLOYED BY EXISTING INDUSTRY;

* PROVIDING PRE-EMPLOYMENT TRAINING THAT IS CONDUCTED FOR PROSPECTIVE EMPLOYEES BEFORE A NEW PLANT OPENS OR AN EXISTING ONE EXPANDS OR RELOCATES;

* PROVIDING RETRAINING OF EMPLOYEES TO UPDATE THEM FOR CHANGES RESULTING FROM TECHNOLOGICAL INNOVATIONS;

* PROVIDING TRAINING PROGRAMS, COURSES, AND SEMINARS TO AID BUSINESS OWNERS/ MANAGERS IN THE MARKETPLACE;

* EXPANDING AND UPGRADING EMPLOYMENT OPPORTUNITIES BY PROVIDING TECHNICAL ASSISTANCE TO BUSINESS AND INDUSTRY;

* PROVIDING TRAINING AND SUPPORT SERVICES TO INVENTIVE, CREATIVE, AND/OR INNOVATIVE ENTREPRENEURS;

* MAKING THE EXISTING DATA BASE AVAILABLE FOR LOCAL BUSINESS AND INDUSTRY AS A CENTRAL SOURCE FOR REFERRALS AND ASSISTANCE

KEY POINTS MADE BY GOVERNOR THOMPSON
TO THE 25 COMMUNITY COLLEGE PRESIDENTS IN A MEETING
ON JUNE 11, 1982

RECOGNIZING THAT COMMUNITY COLLEGES ARE PROVIDING VIATAL TRAINING AND DEVELOPMENT SERVICES TO THE ILLINOIS BUSINESS AND LABOR COMMUNITY, THE LEADERSHIP OF THE COMMUNITY COLLEGE SYSTEM AND THE DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS AGREE THAT THE ROLE OF EVERY COMMUNITY COLLEGE CAN BE ENHANCED BY THE FOLLOWING ACTIVITIES IF THEY ARE NOT ALREADY BEING PERFORMED:

1. HAVE CONDUCTED A BUSINESS/INDUSTRY TRAINING NEEDS ASSESSMENT IN THEIR DISTRICT.

2. BE PREPARED TO MAKE PRESENTATIONS TO FIRMS NATIONWIDE TO COMPANIES LOOKING TO EXPAND IN ILLINOIS.

3. BE AN INTEGRAL PART OF THE LOCAL INDUSTRIAL RECRUITMENT EFFORT INCLUDING REGULAR MEETINGS WITH LOCAL BUSINESS, LABOR, AND GOVERNMENT LEADERS AND DCCA.

4. BE THE FRONT-LINE RESOURCE IN TRAINING/RETRAINING OF NEW EMPLOYEES AT EXISTING AND NEW MANUFACTURERS - STEPPING IN TO FORMULATE TAILOR-MADE PROGRAMS FOR SPECIFIC COMPANIES, IF NECESSARY.

5. WHERE POSSIBLE, PROVIDE EDUCATIONAL COUNSELING TO UNEMPLOYED PERSONS.

6. PUT MORE EMPHASIS ON BASIC EDUCATION FOR YOUNG PEOPLE AND TRAINING FOR ADULTS ORIENTED TOWARD HIGH-TECHNOLOGY INDUSTRIES.

7. GIVE INCREASED ACADEMIC ATTENTION TO INSTRUCTION IN COMPUTERS, COMPUTING AND COMMUNICATIONS.

8. INCREASE THE COORDINATION AND COOPERATION BETWEEN DCCA AND COMMUNITY COLLEGE ADMINISTRATORS. BE SURE NEW INDUSTRIES IN THE STATE RECEIVE EVERY POSSIBLE ASSISTANCE IN TRAINING AND DEVELOPING EMPLOYEES.

9. HOLD SYMPOSIUMS FOR TOP LABOR LEADERS AND MANAGERS, DURING WHICH INCREASED COOPERATION BETWEEN LABOR AND MANAGEMENT CAN BE DISCUSSED.

10. PROVIDE CONTINUOUS INFORMATION TO SURROUNDING INDUSTRIES AND COMMUNITIES ON THE TRAINING PROGRAMS AVAILABLE IN COMMUNITY COLLEGES.

11. FULLY UTILIZE THE TALENTS OF COMMUNITY COLLEGE TRUSTEES AND ADMINISTRATORS WHO ARE THEMSELVES LEADERS IN BUSINESS AND INDUSTRY IN THEIR COMMUNITIES.

ROLE OF NORTHERN ILLINOIS UNIVERSITY IN ECONOMIC DEVELOPMENT

(TENTATIVE PLANS)

1. CONDUCT AND DISSEMINATE THE RESULTS OF A WIDE ARRAY OF RESEARCH AND DEVELOPMENT PROJECTS AND ACTIVITIES

2. CONDUCT EDUCATION AND TRAINING ACTIVITIES AT JOB LEVELS ABOVE THOSE NORMALLY ASSOCIATED WITH COMMUNITY COLLEGES AND SECONDARY SCHOOLS

* 3. HELP PROVIDE THREE LEVELS OF TRAINING AND EDUCATION FOR LOCAL, REGIONAL AND STATE ECONOMIC DEVELOPMENT PERSONNEL

4. MATCH THE RESEARCH AND TECHNICAL ASSISTANCE CAPABILITIES OF FACULTY AND STAFF WITH THE NEEDS OF BUSINESS AND INDUSTRY

5. HELP MAKE AVAILABLE THE STAFF AND FACILITIES OF THE UNIVERSITY TO SERVE THE NEEDS OF BUSINESS AND INDUSTRY ON A COST RECOVERY BASIS

6. IDENTIFY AND DISSEMINATE THE TRAINING, EDUCATION AND FACILITY CAPABILITIES OF BOTH PRIVATE AND PUBLIC SECTOR THAT COULD BE MADE AVAILABLE IN MEETING THE HUMAN RESOURCE NEEDS OF BUSINESS AND INDUSTRY

* 7. EXPLORE INNOVATIVE COST-SHARING STRATEGIES BETWEEN AND AMONG PRIVATE AND PUBLIC SECTOR AGENCIES WITH TRAINING, EDUCATION AND RESEARCH CAPABILITIES

8. CONDUCT AND DISSEMINATE LABOR MARKET DATA AND TRAIN ECONOMIC DEVELOPMENT AND OTHER PERSONNEL IN HOW TO UTILIZE

* 9. PROVIDE QUARTERLY REGIONAL ECONOMIC FORECASTING DATA AND CONDUCT TRAINING IN HOW TO UTILIZE

* 10. PROVIDE TRAINING FOR EDUCATORS ON HOW TO "MARKET" THEIR SERVICES

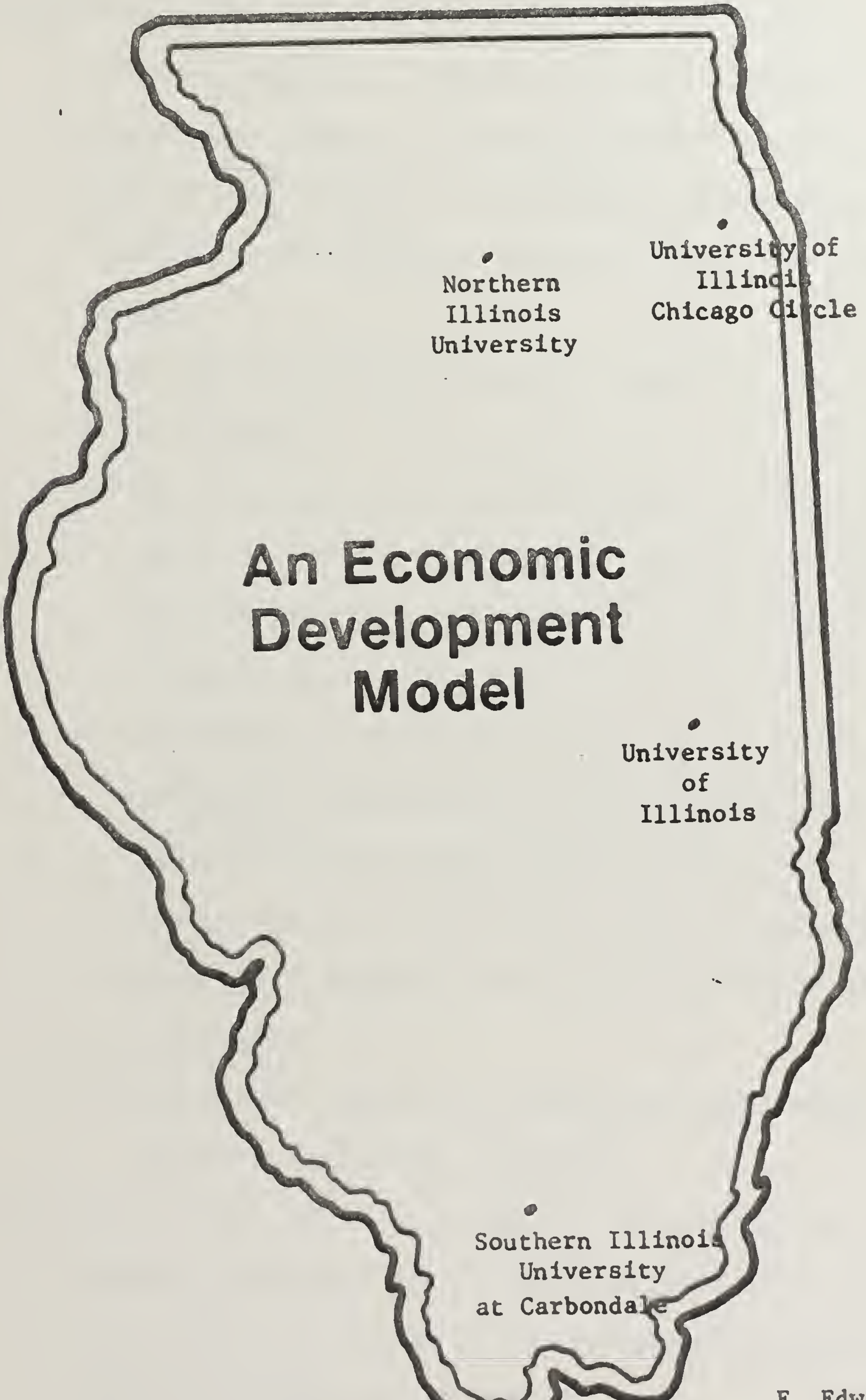
11. HELP PROVIDE THE TEACHER EDUCATORS AND TECHNICAL ASSISTANCE TRAINING AND EDUCATION DESIRED BY PUBLIC SCHOOLS AND COMMUNITY COLLEGES IN AREAS SUCH AS ECONOMIC EDUCATION, CAREER EDUCATION, VOCATIONAL EDUCATION AND IN HELPING TO RETAIN AND SECURE BUSINESS AND INDUSTRY

12. EXPLORE INNOVATIVE STRATEGIES AND DELIVERY SYSTEMS FOR SERVING THE CUSTOMIZED TRAINING AND TECHNICAL ASSISTANCE NEEDS OF BUSINESS AND INDUSTRY--FRATS, LINDA HALL LIBRARY, BEAMED SATELLITE TRAINING PROGRAMS

13. CO-SPONSOR AND CONDUCT SEMINARS AND CONFERENCES THAT WOULD ASSIST IN FOSTERING ECONOMIC DEVELOPMENT IN THE REGION

* 14. DESIGN AND IMPLEMENT AN ADMINISTRATIVELY-EFFECTIVE "MODEL" ON A REGIONAL BASIS THAT WILL ALLOW FOR THE MANAGEABLE COORDINATION OF A LARGE NUMBER OF ACTIVITIES AND AGENCIES INVOLVED IN ECONOMIC DEVELOPMENT

KEY TO STATE OF ILLINOIS PLAN FOR ECONOMIC DEVELOPMENT
IS FOUR UNIVERSITY-BASED CENTERS SERVING REGIONS OF STATE


Northern Illinois University
University of Illinois Chicago Circle
University of Illinois
Southern Illinois University at Carbondale

An Economic Development Model

E. Edward Harris, Director
Office of Business Research
Northern Illinois University
May 10, 1982

EIGHT ESSENTIAL COMPONENTS OF ECONOMIC DEVELOPMENT IN THE STATE OF ILLINOIS

1. Economic Development Training for personnel at all levels--
   - design and implement a comprehensive training program for Illinois Department of Commerce and Community Affairs retention and expansion regional staff members, local economic development personnel and individuals from educational institutions and other agencies to include:
     a. Economic development instruction available from the University of Illinois
     b. How to interprete and utilize economic and labor market data
     c. How to utilize the wide range of technical assistance and training facilities and programs and other resources available in the state
     d. How to utilize financial and other data to assist both prospective new business and industry and existing firms in their long-term strategic planning efforts
     e. How to utilize the educational, human resource and economic development agencies in the state to impact on economic development
     f. How to help cities acquire AAA status and therefore be more effective in economic development
2. Technology training and facility capabilities identified--
   - identify and publish the technology programs and facilities in state including both short-term customized training and long-term educatin programs--AVTE & IBHE
3. HITS, PIC and CETA training efforts and linkages with educational institutions--DCCA

4. Business and Industry Retention and Expansion Data--
    - analysis existing data collected and support computerized system for improving usability of data on regional and statewide basis--DCCA
5. Statewide and Regional Economic forecasting--
    - utilize existing data base at the University of Illinois and secure additional data from private and public agencies--DCCA & IBHE
6. Local and Regional Labor Market Data Base and Utilization--
    - expand current statewide and county data base available at Northern Illinois University to include provisions for regional data--DCCA & IBHE
7. Research and consulting capabilities identified and published--
    - Fully implement FRATS Program for University of Illinois, Northern Illinois University, Southern Illinois University (Carbondale), University of Illinois/Chicago Circle--IBHE & DCCA
8. Identify and publish Economic Education Program available--NIU

CONTINUE TO SUPPORT EXISTING AGENCIES THAT ARE CURRENTLY PROVIDING ECONOMIC DEVELOPMENT SERVICES

1. Statewide Economic Data .... University of Illinois

2. Labor Market Data .... Northern Illinois University and Other Institutions

3. Economic Education .... Illinois Council on Economic Education on Regional Centers

4. Business and Industry Retention and Expansion .... Department of Commerce and Community Affairs

5. Employment Training Program Capabilities Identified .... Illinois Community College Board

PROGRAM OF WORK FOR IMPLEMENTING
PLAN FOR ECONOMIC DEVELOPMENT
IN STATE OF ILLINOIS

1. By July 1, 1982, help support the creation of a marketing oriented model for economic development in a geographic region that would provide the cooperation and coordination of educational human resource and economic development agencies at all levels. The individuals in these agencies would be able to:
    a. Be effective in performing local economic development activities
    b. Interprete and utilize economic and labor market data
    c. Identify and utliize the wide range of technical assistance and training facilities and programs (both private and public) and other resources available
    d. Utilize marketing strategies to sell educational services to business and industry
    e. Utilize financial and other data to assist both prospective new business and industry and existing firms in their long-term strategic planning efforts
    f. Utilize the unique capabilities of educational, human resource and economic development agencies in the state to impact on economic development
    g. Help cities acquire AAA status and therefore be more effective in economic development
2. By August 1982, assist in designing and implementing a twenty hour pilot program of instructional for local economic development personnel and educators involved in economic development

3. By January, 1983, assist in the design and implementation of a first draft competency based training program for the personnel description in #2.
4. By July 15, 1982, assist in planning and implementing the productivity conferences
5. By June 15, 1982, help to marshall resources, both private and public, needed for both regional and state-wide economic forecasting
6. By August, 1982, work to establish criteria for AAA city status
7. By September, 1982, participate in the designing of Governor's Blue Ribbon Education and Training Commission
8. By September, 1982, prepare a program of work for implementing State of Illinois Economic Development Plan
9. By August, 1982, make commitment to support and assist in implementation of regional economic development model
10. By January, 1983, assess impact of model and make plans for expanding model on state-wide basis

Exhibit C

Economic and Human Resource Development Requires Cooperation of Education at all Levels, Human Resource Agencies, and Economic Development Agencies

Educational Institutions

- Northern Illinois University
  - College of Business, Office of Business Research
  - Center for Governmental Studies
  - Illinois Council on Economic Education
  - Coordinator of Vocational & Technical Education
  - College of Continuing Education
- Rock Valley College
- Elgin College
- Waubonsee College
- Kishwaukee College
- Secondary Schools and Area Vocational Centers

Human Resource Agencies

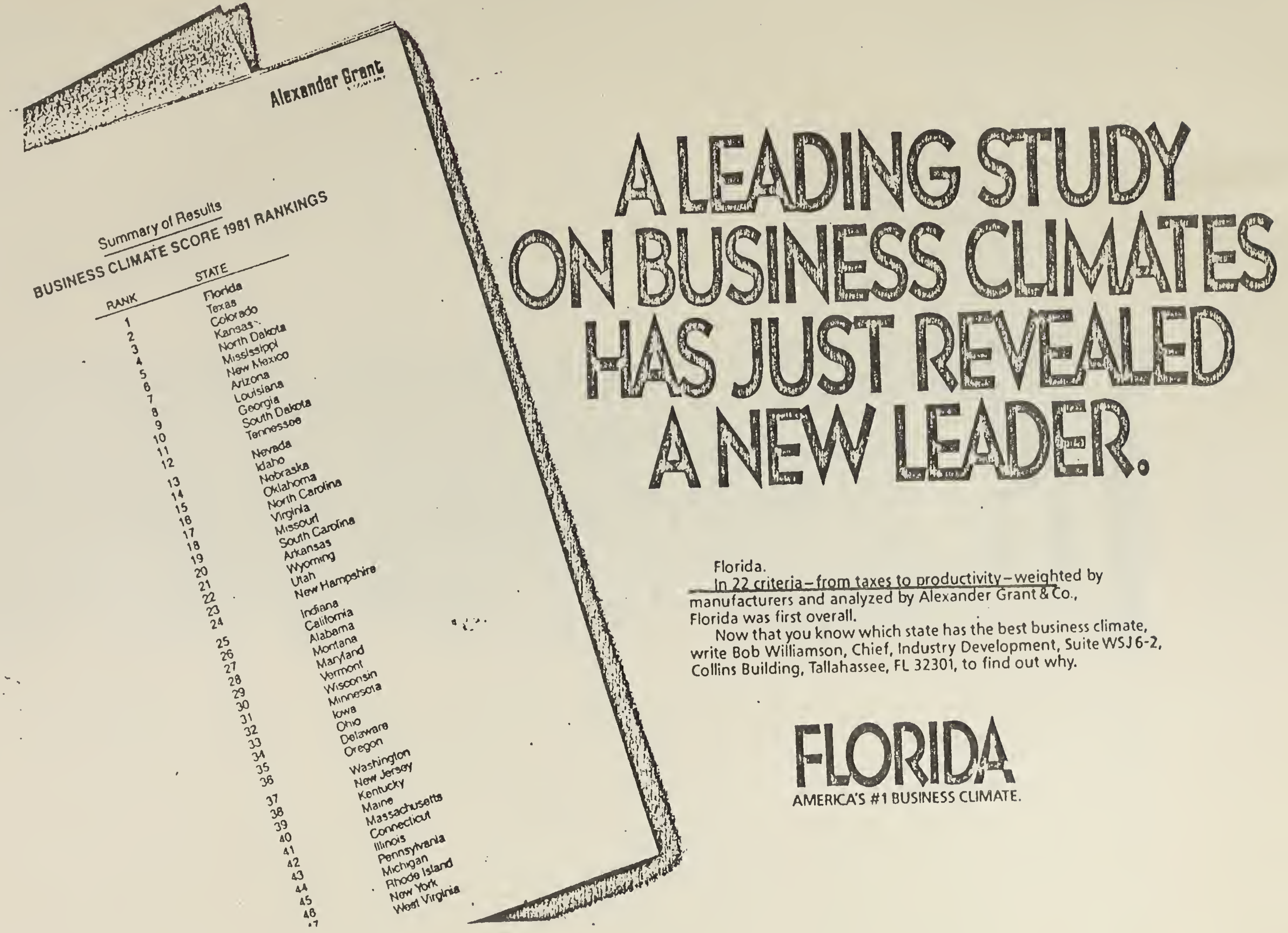
- Illinois Department of Commerce and Community Affairs—Private Industry Council and Comprehensive Employment Training Act Prime Sponsors
- State Advisory Council on Vocational Education
- Illinois Job Services Offices
- Adult Vocational and Technical Education—Regional Vocational Administrators and High Impact Training Services
- Labor and Management Councils
- Illinois Employment & Training Council

Economic Development Agencies

- Illinois Department of Commerce and Community Affairs
- Council of 100 and Rockford Area Chamber of Commerce
- Director of Community Development and Geneva Area Chamber of Commerce
- Elgin Area Chamber of Commerce
- Greater Rochelle Economic Development Association
- Aurora Area Chamber of Commerce
- Valley Industrial Association, Aurora
- Economic Development Committee and Sycamore Area Chamber of Commerce
- DeKalb Economic Development Commission
- Designated Individuals Responsible for Economic Development in Other Major Cities Such as Batavia, Belvidere, Carpentersville, Dundee, Mt. Morris, Oregon, Oswego, and St. Charles

09991552

ECONOMIC DEVELOPMENT IN THE SOUTH



Alexander Grant

Summary of Results

BUSINESS CLIMATE SCORE 1981 RANKINGS

RANK	STATE
1	Florida
2	Texas
3	Colorado
4	Kansas
5	North Dakota
6	Mississippi
7	New Mexico
8	Arizona
9	Louisiana
10	Georgia
11	South Dakota
12	Tennessee
13	Nevada
14	Idaho
15	Nebraska
16	Oklahoma
17	North Carolina
18	Virginia
19	Missouri
20	South Carolina
21	Arkansas
22	Wyoming
23	Utah
24	New Hampshire
25	Indiana
26	California
27	Alabama
28	Montana
29	Maryland
30	Vermont
31	Wisconsin
32	Minnesota
33	Iowa
34	Ohio
35	Delaware
36	Oregon
37	Washington
38	New Jersey
39	Kentucky
40	Maine
41	Massachusetts
42	Connecticut
43	Illinois
44	Pennsylvania
45	Michigan
46	Rhode Island
47	New York
	West Virginia

A LEADING STUDY ON BUSINESS CLIMATES HAS JUST REVEALED A NEW LEADER.

Florida.

In 22 criteria—from taxes to productivity—weighted by manufacturers and analyzed by Alexander Grant & Co., Florida was first overall.

Now that you know which state has the best business climate, write Bob Williamson, Chief, Industry Development, Suite WSJ 6-2, Collins Building, Tallahassee, FL 32301, to find out why.

FLORIDA

AMERICA'S #1 BUSINESS CLIMATE.

Community Colleges Help Attract Industry to Florida

JESSE BURT

Florida, known for its miles of sandy beaches and winter vacations in the sun, is adding yet another dimension to its image—industrial development. In the highly competitive Sun Belt, Florida is emerging as an industrial attraction.

Shortly after taking office two years ago, Governor Bob Graham appointed business leaders from throughout the state as members of his administration, and infused new funds to turn the state's anti-business image into a new frontier of development. Supported by prominent businessmen in the state, Graham organized a recruitment program that invited business and industry from throughout the nation and abroad to relocate or open branches in Florida.

The results were phenomenal. Economic development became a reality in Florida as industries ranging from the commercial propagation of mushrooms to precision machining and electronics have moved into the state in record numbers. This has broadened the tax base in the state and has provided thousands of new jobs for Florida citizens.

Accepting the challenge of economic development, Florida's community colleges and their administrators have become an effective part of the team to attract new industry to their areas. Boards of trustees, presidents and deans have placed new emphasis on vocational and technical training. Occupational deans from Florida's community colleges have attended workshops to become better informed about economic development and the responsibilities and techniques of working with and serving industrial prospects.

In a close working relationship with the Florida Department of Commerce and the Department of Education's Industry Services Training Section, community college deans have committed

Vo-Tech Schools Directory. The first directory of vocational-technical information on public, postsecondary education has been published by the Minnesota Scholarly Press. Drawing information from vocational school catalogs, the directory provides addresses, school directors' names and phone numbers, full course and program listings, descriptions of individual state programs and duration of courses. All entries are indexed by states and by school names, with referral to programs and subject areas. The *Directory of Vocational-Technical Schools and Institutes* is available for $45 from the Minnesota Scholarly Press, P.O. Box 224, Mankato, Minn. 56001; (507) 387-4964.

Photo—Brevard Community College

A Brevard Community College student learns electronics skills that he can use as an employee of one of the new and expanding industries in his community.

their institutions' facilities and employees to design and implement custom made training programs to assist industry. Community colleges are now active partners with chambers of commerce, private industries, industrial development groups and other agencies involved in industrial development.

To meet industrial commitments, community colleges have expedited required technical reviews and numerous other procedures, paving the way for "quick start" programs for industrial start-up.

Mutual respect between autonomous community colleges and the State Department of Education has been established because of the positive results of industrial involvement. The Department of Education's Vocational Division provides funds to the colleges to meet the added and unplanned expense of new industry moving into a community. As soon as practical and possible, an Industry Services representative from the Department of Education acquaints community college administrators with facts concerning needed training for the new or expanding industry.

Funds for equipment, software, instructional and other needs are "flowed" to the finance officer of the institution, often within two weeks of commitment, for immediate use. Frequent telephone communication and visits to the industry and community colleges by representatives from the state maintain a constant reinforcement of the coordinated commitment. In addition, the state employment services office provides assistance in recruiting trainees, greatly accelerating the selection and testing of applicants for employment with the new or expanding businesses.

The State Community College Trustee Coordinating Board, composed of representatives of boards of trustees from colleges throughout the state, has adopted as one of its priority goals a special effort to further encourage strong community college-industry working relationships. The board also emphasizes the role of the community colleges in industrial training.

Many of Florida's community college presidents now hire trained industrial relations aides who report directly to the president of the college. Many of these aides are retired or semi-retired executives of major corporations. Their priceless years of industrial experience contribute much to the effectiveness of this effort.

Jesse Burt is director of Industry Services Training for the Florida Department of Education, Division of Vocational Education.

ECONOMIC DEVELOPMENT
IN
FLORIDA

A. What Services are Provided:

New industry, 100% for instruction, supplies, training material, equipment, etc., training is below mid-management level. They travel overseas to see an existing operation if necessary before customizing the instructional program. They work with job service recruit, screen, test, and interview applicants. They train applicants during evenings and weekends prior to the company opening date. After training, company selects new hires. Sometimes trainees pay for their instruction.

Companies expanding into a new line or new technology get same service, 100% funded.

Traditional in-plant, company pays regular tuition.

B. How is it Delivered Locally - Staffing Patterns:

Often uses Dean of Continuing Education. However, each campus handles it in its own way. Some community colleges hire a semi-retired corporate executive to fill this position reporting directly to the college president as the president's aide.

C. State Delivery System:

They have a division of industry services training tied in with the State Department of Education and Division of Vocational Education. They utilize the state's community college system. Each local school determines its own commitment to the effort.

D. Who is the Fiscal Agent?

Local school gets money under a project with state.

E. Who Pays Local Bills Using State Monies?

Local school.

F. Does School Charge State for Overhead?

Negotiated, usually school or business/industry handles these costs. However, on occasion the state has paid.

G. Who Gets Title for Equipment, Instructional Material Supplies?

If over $100, state keeps title and moves around state. If highly specialized equipment, state gets local school or business/industry to purchase. Each contract is individually negotiated.

H. Can Local School Use Funds From State to Gain Interest for Local Use?

They encourage local school to put money into project.

I. Turn Around Time:

Same day on phone, 3-4 weeks for paper, not official until signed by commissioner.

J. Can They Hire Vendors to Deliver Training?

Yes. They have even advertised for such people. First they try to use local teachers and business/industry people.

K. How Do They Pay for Salaries?

Works as close to local school policy as possible, but can vary.

L. Do Technical Schools and Vendors Bid on Job Against Each Other?

No.

ECONOMIC DEVELOPMENT
IN
SOUTH CAROLINA

A. What Services are Provided:

New industry, 100% funding, recruit, give orientation, and train prior to the employee being hired by the firm. Teach basic and advanced skills. Fly instructors anywhere to develop curriculum. Would consider building a special facility if needed. This service is called Special Schools.

Expanding companies get same service.

Existing companies with traditional needs for upgrading pay regular tuition and are handled by the community college.

B. How is it Delivered Locally - Staffing Patterns:

Each of 16 technical colleges has a state employee on their campus to do this function plus to conduct the annual business/industry employment/wage survey and to call on each company each year with over 100 employees.

C. State Delivery System:

Under the State Director for Technical Education (post-secondary), they have a department of Special Schools. This department places one representative on each of the 16 technical college campuses at state expense. I believe the State Board of Vocational Education handles secondary-level vocational education.

D. Who is the Fiscal Agent?

State keeps the money, doesn't go to local school.

E. Who Pays Local Bills Using State Monies?

State

F. Does School Charge State for Overhead?

School provides it free. If a building must be rented, local county pays half utilities and all rental charges.

G. Who Gets Title for Equipment, Instructional Material Supplies?

State keeps title and moves around state. Have moving/maintenance crew for this purpose.

H. Can Local School Use Funds from State to Gain Interest for Local Use?

Local school doesn't get money.

I. Turn Around Time:

Same day on phone, for big money they may need to give presentation at state office.

J. Can They Hire Vendors to Deliver Training?

Always use local teachers or business/industry people and have never used a vendor. He could if he needed to.

K. How Do They Pay for Salaries?

Work as close to local school policy as possible.

L. Do Technical Schools and Vendors Bid on Job Against Each Other?

No.

TEC GRADUATE

“My degree in Engineering Graphics helped me land a job as a draftsman at Jeffrey Manufacturing.”

— Howard Kells, Draftsman
Jeffrey Manufacturing

ECONOMIC DEVELOPMENT MEANS BIG BUCKS & JOBS FOR ANDERSON, OCONEE & PICKENS COUNTIES

Approximately 1,865 new manufacturing jobs were announced or commenced this year in Anderson, Oconee and Pickens counties by new or expanding manufacturing industries.

The U.S. Chamber of Commerce has issued a report detailing what 100 new manufacturing jobs mean to a community. Based on the jobs created this year in the Tri-County service area and the information from the U.S. Chamber of Commerce, here is the impact of the industrial development for 1980-81 in the three counties:

③

- $ 18-million additional bank deposits
- $ 3.2-million more retail sales per year
- $ 39.6-million increase in personal income
- 1,224 non-manufacturing jobs created*
- 1,746 additional households*
- 6,318 more people*
- 19 more retail establishments*

*Figures on the last four items are expected to be adjusted upward when a new study is completed in 1983. The dollar amounts in the first three items have already been adjusted by the U.S. Chamber of Commerce.

WHEN AN INDUSTRY LOOKS AT US

As related in letters from developers in the three counties along with one from Max Heller, chairman of the State Development Board (elsewhere in this report), Tri-County Technical College is one of the ingredients in the economic development plans for Anderson, Oconee and Pickens counties.

Sometimes, representatives from as many as three or four companies seeking plant sites will visit the campus in a month. Usually, their identities are unknown to us, but we do know the skills required of their workers.

After general presentations from the president and an agent of the Division of Industrial and Economic Services of the State TEC Board, the representatives visit the departments in which they are interested. They talk with instructors and students and see first-hand the college's capabilities to produce technicians.

The company representatives are assured that Tri-County TEC, along with the State TEC Board, will help them get their new operation off to a productive start and that the college will continue to work closely with them once their plant begins production.

④

CAPITAL INVESTMENTS*

ANDERSON • OCONEE • PICKENS

YEAR	ANDERSON	OCONEE	PICKENS	TOTAL
1963	$5,271,000	$156,000	$3,667,000	$9,094 000
1964	5,708,000	855 000	5 250,000	11,813,000
1965	24 345,000	2,170 000	9,680,000	38 195,000
1966	83,785,000	1 420,000	3,100,000	88,305,000
1967	9 990,000	319,000	1,375,000	11,684 000
1968	21,915,000	7,700,000	151,900,000	181,515,000
1969	32,600,000	5,700,000	630,000	38,930,000
1970	10,150,000	200 000	825,000	11,175,000
1971	24 630,000	1,505,000	2,625,000	28,760,000
1972	60,380,000	2,400,000	5,300,000	68,080,000
1973	115,435,000	8,960,000	7 000,000	131,395,000
1974	2,175,000	125,000	1 250,000	3,550,000
1975	20,965,000	3,760,000	3,128,000	27 853,000
1976	1 010,000	50,000	18,500,000	19,560,000
1977	128,010,000	12,631,000	36,439,000	177,080,000
1978	41,362,000	6,582,000	12,956,000	60,900,000
1979	122,669,000	9,326,000	22 348 000	154 343,000
1980	40,914 000	22,714,000	69,246,000	132,874 000
TOTALS	$751,314,000	$86,573,000	$355,219,000	$1,193,108,000

*Source S C State Development Board

ECONOMIC DEVELOPMENT 1980-81

②

	Anderson	Oconee	Pickens	TOTALS
New Mfg. Plants Announced	—	2	2	4
New Jobs	—	185	650	835
New Plants Opened	4	2	2	8
New Jobs	340	425	225	990
Expansions	1	—	—	1
New Jobs	40			40

GRAND TOTALS
1,865 NEW JOBS CREATED
13 Announcements, Openings, Expansions

SPECIAL SCHOOLS (1980-81)

ANDERSON • OCONEE • PICKENS

COMPANY	TYPE TRAINING	NUMBER TRAINED
Nordson	Assemblymen	16
Westinghouse	Maintenance & Electrician	16
Michelin	Maintenance	19
Amstore	Assemblymen	11
Fry-Togs	Sewing machine operators	16
Olympic Stoves	MIG welders	24
Platt Saco Lowell	Machine tool operators	29
		131

Special schools were planned in 1980-81 to begin by the end of calendar year 1981 for the following companies:

Fairfield Mfg.
Steel Heddle
NCR
Orian Rugs
Olympic Stoves
Fry-Togs
Westinghouse
Nordson

Earle F. Rochester, industrial services representative, arranges Special Schools upon request for existing and new firms that create new jobs through expansion or new plant location.

SINCE 1962
5,161 WORKERS IN ANDERSON, OCONEE AND PICKENS COUNTIES HAVE BEEN TRAINED IN SPECIAL SCHOOLS

①

UNDER THE COVER

The cover of this “Annual Report to the People” clearly depicts the theme of this document. Since its inception, TEC's mission has been to promote the economic development of South Carolina by providing skilled manpower and by attracting technical jobs to the State.

This report tells the story of Tri-County Technical College's involvement in the economic development of Anderson, Oconee and Pickens counties.

PRIVATE FUND RAISING COLLEGE FOUNDATIONS

UP FRONT IN ECONOMIC

For more than two decades, North Carolina has been one of the most aggressive and successful industrial growth states in the Sun Belt. In the last four years alone, for example, companies from across the country and around the world have agreed to spend more than $8.2 billion to build new plants or expand existing facilities in North Carolina. In turn, these companies, when in operation, are expected to supply the state with approximately 121,000 new jobs.

Integral to this growth has been the state's 58-campus community college system, with its network of training sites spanning the state from the mountains to the coast.

The recognition of the role the system plays in training for new jobs recruited to the state is evident. "It is clear," says North Carolina Governor James B. Hunt, Jr., "that our most valuable training resource is our community college system. I have decided that this system should be the 'presumptive deliverer' of skilled training in North Carolina. That means that training should be done in one of those 58 institutions across the state, unless we find a good reason otherwise."

The state's support of the community college system's role in meeting North Carolina's commitment to new and expanding industry is reflected in the special emphasis it has placed on the industry services division in the N.C. Department of Community Colleges. This division provides the state with an immediate response to the need of new industry for a trained work force—no matter how large a work force is required, or where the industry will locate in the state or how unique its training requirements.

The division, which receives special state funding over and above the Department's regular budget, has the ability to provide industry with training tailor-made to a specific company's requirements. The division also has the ability to respond promptly to inquiries about training from prospective new and expanding industry, due in great part to its close ties with the Department of Commerce's industrial development section. In fact, the division has staff in each of Commerce's seven regional offices (the industrial development section is responsible for the state's industry recruitment efforts).

In essence, the division of industry services backs up the state's promise to new and expanding industry that its initial work force will be trained at state expense and to industry specifications. While there is no single standard procedure, typically training is synchronized with the construction of the industry's new or enlarged plant. Job candidates equipped with the basic production skills are ready to go to work by the time the facility is completed.

North Carolina's Governor James B. Hunt Jr. (center), Ron E. Gratz, general manager of Consolidated Diesel Company, Rocky Mount, N.C. and Dr. J. Reid Parrott Jr., president of Nash Technical Institute, Rocky Mount, don hard hats during groundbreaking ceremonies held recently for world's largest engine plant. Nash Technical Institute will offer training programs for prospective employees of Consolidated Diesel.

Larry J. Blake is president of the North Carolina Department of Community Colleges.

North Carolina's Governor Hunt is unequivocal in backing the role of community colleges.

Larry J. Blake

DEVELOPMENT

In the past 18 years, more than 1,300 different programs for new and expanding industry have been conducted for more than 1,000 companies representing such diverse industries as pharmaceuticals, automobile parts, machine tools, chemicals, textiles, plastics and electronics. Approximately 136,000 workers have been trained in these projects.

In contrast to similar programs in other states, the training itself is never conducted by the state staff. Projects are initiated, funded and partially developed by staff in the division of industry services. All training, however, is done at the local level by the institution serving the area in which the company will locate its plant, thereby strengthening training and working relationships.

The company to be served determines the type and number of skilled workers required. The staff of the division of industry services and the local institution jointly analyze the task to be performed and develop a training program. Often this requires a visit to an existing plant in the United States or abroad by division and institution staff. Once a training program is developed, a budget is prepared and funds are transferred from the state to the institution responsible for training.

Training equipment generally is supplied by industry, using equipment that ultimately will be placed in production. On occasion, however, state funds have been used for this purpose. The local institution is responsible for hiring instructors to do the training. Often an institution may hire a supervisor from the company itself on a short-term basis.

In some institutions the training takes place in specially-constructed, multi-use buildings. These buildings are essentially shells that can accommodate a variety of fixtures and equipment. Once a training program is completed, equipment is removed and new equipment for another training program then takes its place. Other institutions may use existing facilities, lease facilities temporarily or use portions of the company's future plant as training sites.

These specialized training programs for new and expanding industry complement the system's regular vocational and technical training programs. More than 230 different preemployment curricula, ranging from agriculture and accounting to welding and x-ray technology, are offered by the system's 58 community and technical colleges and technical institutes. These regular programs usually are sufficient to meet the needs of existing industry for skill training for growth and replacement.

Each year more than 100,000 persons enroll in preemployment programs. Another 265,000 enroll in upgrading and inservice programs designed for individuals who are currently employed but need additional training to keep their jobs, get better jobs, or move into supervisory positions. The system's commitment to vocational and technical training is reflected in its fulltime equivalent enrollment figures. Approximately 75 percent of the total FTE enrollment in the system is in vocational and technical training.

North Carolina's program for meeting the training needs of new and expanding industry is one that industry itself has greeted enthusiastically.

"Community colleges played a very important role in our locating in North Carolina." says GKN Corporation's Personnel Manager Larry Teague. GKN, a British manufacturer of automobile components, located its first U.S. operation in Sanford, N.C. Its initial work force was trained by Central Carolina Technical College. The company later opened a second plant near Burlington, N.C., with training being done by the Technical College of the Alamance in Haw River.

"The new industry people," Teague says, "are telling industry all over the world, 'Look, you bring your industry to North Carolina. We have an excellent community college system. You bring the plants in and we'll staff them.' " ☐

State Economic Development Model

North Carolina has created a comprehensive economic development model that addresses all of the issues highlighted in this paper. Central elements of the model are presented below.

In 1981, the governor designated the community colleges as "the presumptive deliverer of skilled training" and termed the colleges ". . . the backbone of our economy in this state." He said, "The most frequently mentioned reason given by industries for locating in our state is the availability of job training in any location in North Carolina."

Stimulated by this position and by earlier support, the State Department of Community Colleges has established a new and expanding industry program specializing in the provision of customized training for industry. The Department has created close associations with local and state offices of the Industrial Developers Association, the Department of Commerce, Chambers of Commerce, and other industrial groups.

In 1980, the Department of Commerce's Industry Services Division joined with the Department of Community Colleges in housing staff in seven regional field offices across the state in an effort to work more closely with the private sector.

In 1979–80, 41 of the state's 58 community and technical colleges provided specialized training for 95 new and expanding industries, trained more than 7,000 employees, and were supported in this effort with over $1.8 million of state funds set aside for these purposes.

Two-thirds of the training for new and expanding industries is in metals, metal fabrication, electronics, and other types of industries new to the state.

State law requires that the Department of Community Colleges "shall assist with the pre-employment and in-service training of employees in industry, business, agriculture, health occupations, and governmental agencies." Part of the Department's response to this charge was its preparation of regulations on in-plant skill training. As a result, the quality of industry-specific training is consistent with on-campus courses. The in-plant programs are reviewed regularly by Department auditors.

The Department also has an educational/industrial leave with pay program that helps keep instructors current with present technology and industrial development. The state provides funds to local institutions to pay salaries of professional personnel for up to 60 work days a year for staff development. Eligibility requirements include: employment for three years or more for nine or more months per year, with a contract to return to the institution following the industrial leave. Some of these leaves are used to place instructors in industry.

In 1981 the state legislature provided $5 million for new training equipment. More support for this purpose is expected in subsequent years. Also, it has approved pre-funding for state

priority programs, allocating $2.1 million for starting specially-funded programs aimed at hard-to-fill positions, like electronics engineering technology, machinist, industrial maintenance, instrumentation technology, and computer programming. The $2.1 million was also targeted for the establishment of Cooperative Skills Training Centers. Eight Centers were funded in 1981-82 and seven more will be created in 1982-83. The Centers are designed to prompt even closer working relationships with local industry. Funds have also been earmarked to support classes of related supplemental instruction in apprenticeship programs.

Student fees for those enrolled in new and expanding industry training and for all persons enrolled in Adult Basic Education and Adult High School and GED programs are waived.

In 1980, 18 companies in the greater Raleigh area contributed a total of $50,000 to create a manpower resource development program with the Greater Raleigh Chamber of Commerce. Among the activities of this group was the production of a handbook targeted at youth in the area, containing company descriptions, number of employees for each, location, contact person, and job opportunities in each of the firms. It also provides occupational profiles. The three community and technical colleges in the region with private and public schools helped in the development of this program through the involvement of their directors of guidance and counseling. The group has also published a directory of training resources in the area.[33]

As part of its overall effort, the Department of Community Colleges has developed energy curriculum packages for use in the colleges.

ECONOMIC DEVELOPMENT
IN
NORTH CAROLINA

A. What Services are Provided:

1. New industry, 100% for instruction, supplies, equipment, training materials, staff development. They don't recruit workers, train only persons already hired. Train below mid-management level. Instruction is customized. Teacher and economic coordinator travel anywhere to visit an existing company to get ideas for curriculum development.

2. Existing plants with new technology and/or expanded lines, 100% for the above services.

3. Failing companies, I believe they reimburse 100% (not certain).

4. Traditional in-plant, handled through regular school departments, at regular tuition levels.

B. How is it Delivered Locally - Staffing Patterns:

Uses V.P. of Community College responsible for Continuing Education, partially funded by state. Has such a person on each of 54 campuses.

C. State Delivery System:

Within their state department of community colleges, they have an industrial services division. This division works with the staff at the 58 community colleges. Apparently, they do have some seven regional representatives stationed in the Department of Commerce office around the state.

D. Who is the Fiscal Agent?

Local school

E. Who Pays Local Bills Using State Monies?

Local school

F. Does School Charge State for Overhead?

I don't believe so.

G. Who Gets Title for Equipment, Instructional Material, Supplies?

School gets title unless the equipment is big. Then state keeps title and moves equipment around. Have moving crew.

H. Can Local School Use Funds From State to Gain Interest For Local Use?

???

I. Turn Around Time:

Requesting school gets O.K. on phone same day. Two weeks for paper work to follow.

J. Can They Hire Vendors to Deliver Training?

Yes, has done before. However, they try first to use local business/industry or teachers.

K. How Do They Pay for Salaries?

Works as close to local school policy as possible.

L. Do Technical Schools and Vendors Bid on Job Against Each Other?

No.

Oklahoma's Productivity Division

by Dale Cotton

Companies in Oklahoma don't have to go far to learn how to increase productivity. In a fresh approach to providing business services, the State Department of Vocational and Technical Education has established a productivity division that links vocational education with a pressing need of American business and industry—developing a work force that understands its role in productivity.

Leo Presley, who developed the program, and colleague Ken King travel throughout the state to provide orientation, training and other services in a variety of settings. They have at their fingertips an array of materials and approaches to meet the individual training needs of employers—seminars, workshops, quality circles, case studies, analytical problem solving, lectures, films, videotapes and slide-tape programs. The basic subject areas included in Oklahoma's productivity services include awareness, measurement, assessment and improvement.

To help business people become aware of productivity offerings through vocational and technical education, Presley and King have been giving a 45-minute presentation to civic groups and professional organizations. Titled "The Significance of Productivity," the program discusses what productivity is, current trends and future implications, with a look at what selected industries are doing to improve employee productivity.

Another awareness program is specifically designed as a promotional seminar for area vocational/technical schools. Some 50 representatives from different corporations and businesses have attended these orientation sessions at five different schools. About half of them have arranged for various aspects of the Oklahoma productivity programs to be presented to their company personnel. The companies range in size from one or two-person shops to huge corporations.

Thus when Weyerhaeuser, Inc., wanted to involve more employees in the process of controlling the costs of products, the company turned to the productivity division. Weyerhaeuser is a huge lumbering and wood products manufacturing company in Southeast Oklahoma employing thousands of people. After an extensive search for programs that might be applicable to their situation, managers selected the resources management program offered by the state productivity division.

Supervisors realized for the first time that they could implement change.

The resources management program is a structured program that allows first-line supervisors and their managers to interact on identifying resource losses and recommending solutions to reduce loss. The program considers eight resource areas: energy, money, materials, labor, equipment, facilities and unwanted output.

Twelve management people at Weyerhaeuser were given a two-and-a-half-day presentation explaining the program. They then selected 18 supervisory personnel to take the training. Classes were held at the nearby Kiamichi Area Vocational-Technical School to remove the participants from their work site and give them a more objective view of their jobs. The classes were held on company time.

In three four-hour sessions, the supervisors were asked to identify resource areas in which they thought improvement could be made in their own work situations and to choose one on which to take immediate action. Jerry Seitz, wood products manager, says that this exercise helped the supervisors to view all the resources under their control and to improve communications and break down barriers between departments. "The results were greater than expected," he says. "I think supervisors realized for the first time that they could implement change."

Five additional sessions were held with an extended group that included the original supervisors plus managers and support personnel. They discussed the progress of their projects and were given encouragement for their efforts. The plywood superintendent, Ron Endicott, describes this part of the program as "sort of a cross-fertilization with support group personnel and other supervisors." Endicott reports that "a lot of attitudes changed on what the supervisor's role really is and what he can accomplish."

One major benefit of the program was that it helped participants realize that many small problems in their area could be solved with limited cost, and that these changes would add up to major savings. One supervisor reported, "We had an increase of 10 percent uptime in February over January, at an annual savings of $54,697." Projections made by company officials show a potential savings of almost $480,000 as a result of productivity improvement resulting from the program. The program is now being repeated with a second group of managers.

An important feature of the Oklahoma productivity division is that it uses proven materials, adapting them to the needs of users. In order to determine what productivity packages were already developed and available, Presley and King studied all the programs they could locate. They then contracted for the use of programs that best fit Oklahoma's

Leo Presley (standing) and Ken King (far right) talk over productivity statistics with Vern Helms, of Heater Technology Corp. (left) and David Weber, representing a Ponca City bank.

business climate. In addition to the resources management programs used at Weyerhaeuser, Inc., commercially developed programs are being used to teach process management skills and quality circles.

Also with the help of a private company, the productivity division assists businesses in conducting an organization/management audit to help determine the work climate as perceived by the employees, and how work performance is affected. Using questionnaires, the staff surveys such matters as clarity of role, commitment to the organization, standards of work, responsibility, recognition and teamwork. Organizational deficiencies are determined through factor analysis. Since research shows that individual management practices have the biggest impact on work climate, the organizational assessment identifies strengths and weaknesses in 19 management practices. Recommendations can then be made for follow-up activities that will improve the work climate, and consequently the productivity of employees. The only cost to companies using this program through the productivity division is for the materials used.

Learning to measure current productivity is an essential step before business and industry can move toward improvement. The productivity division is therefore offering a two-day seminar in productivity measurement that is adapted for four different organizational types: service industries, retail businesses, manufacturing/industrial firms and government/education entities. This program is designed for business managers, financial managers and executives with financial responsibility. Participants learn about concepts of measurement, discuss applications of various productivity measurement possibilities and examine case studies.

The success of all these programs indicates that the State Department of Vocational and Technical Education in Oklahoma has found a way to fill a genuine need among employers in Oklahoma. Among the Oklahoma firms that have already used the productivity division programs are: Centri-Lift/Hughes (Claremore); Weyerhaeuser, Inc. (Wright City); Kellwood Corp. (Idabel); Franklin Electric (Wilburton); Mertz, Inc. (Ponca City); First National Bank (Cushing); and Crowder Tank (Drumright).

Five schools have taken part in the productivity effort: Central Oklahoma Area Vocational-Technical School (Drumright); Pioneer Area Vocational-Technical School (Ponca City); Kiamichi Area Vocational-Technical School (Idabel); Francis Tuttle Area Vocational-Technical School (Oklahoma City); and the Red River Area Vocational-Technical School (Duncan). Some vocational/technical schools plan to use various aspects of the program in working with their own staffs.

Oklahoma Gov. George Nigh has been involved in the effort to improve productivity and has requested special funding from the legislature to be certain the effort is continued and possibly expanded. At the present time, director Presley says the problem is figuring out how to expand services with the current staff. They are fully scheduled for the next six months.

The productivity program has fit well into other efforts by the State Department of Vocational and Technical Education to work closely with industry. In addition, the staff of the productivity division works closely with the State Department of Economic Development in developing training programs.

There is no question that the productivity effort in Oklahoma has been accepted, is needed, and is serving to improve productivity in the state. Working with the other aspects of vocational and technical education, it has filled a needed slot that will help keep Oklahoma workers employed and productive.

About the Author

Dale Cotton is public information officer for the State Department of Vocational and Technical Education in Oklahoma

ECONOMIC DEVELOPMENT
IN
OKLAHOMA

A. What Services are Provided:

New companies, 100%, includes recruitment, orientation, training. Handled through state office personnel who in turn work with local vocational school for delivery of services. Includes instruction, development of training materials, and use of training equipment.

Existing companies needing new technology training get full 100% service.

Tradition in-plant training, uses state, local school, business/ industry money.

Skilled worker shortages - Starting a division to help companies with these problems.

Productivity - Have 4-5 people in state office who help companies particularly needing training in new management practices to improve their productivity.

In their state office they use new management practices and technology to improve their own productivity.

B. How is it Delivered Locally - Staffing Patterns:

Personnel from the state office work closely with the firm to establish training needs and to identify all related services which will be needed. In turn, state staff contract with a local vocational district as needed for the delivery of the training services.

C.. State Delivery System:

The state board has a staff of approximately 3-4 persons who work in economic development and who drive the effort from the state level. They utilize the existing regional vocational centers for delivering the needed training. Locally, school districts appoint a person to handle this responsibility. Usually local persons carry this responsibility along with numerous other responsibilities. The state has a staff of specialists who develop the needed training materials.

D. Who is the Fiscal Agent?

????

E. Who Pays Local Bills Using State Monies?

Local vocational school.

F. Does School Charge State for Overhead?

????

G. Who Gets Title for Equipment, Instructional Material Supplies?

State keeps title and moves equipment around state.

H. Can Local School Use Funds from State to Gain Interest for Local Use?

????

I. Turn Around Time:

Not certain.

J. Can They Hire Vendors to Deliver Training?

Use local business/industry personnel or local vocational teachers. Could use vendors if necessary.

K. How Do They Pay for Salaries?

Not certain.

L. Do Technical Schools and Vendors Bid on Job Against Each Other?

No.

NEW/EXPANDING TRY TRAINING PROGRAM SURVEY

DATE: 3-82

The following information was gathered from the surrounding states regarding the service they offer to new and expanding industries in their states.

	ALABAMA	FLORIDA	GEORGIA	ILLINOIS	KENTUCKY
1) The following services are provided by my State to new and expanding industries. Please respond yes or no to the following and % State pays.					
a) Purchase supplies and materials	Yes 100%	Yes (Negotiated)	Yes (Shared)	Yes	Yes 100%
b) Development of instructional materials	Yes 100%	Yes (Negotiated)	Yes 100%	Yes	Yes 100%
c) Provide space or facilities	Yes 100%	Yes	Yes 100%	Yes	Yes 100%
d) Purchase of equipment	Yes 100% (or lease)	Yes	Yes 100%	No	Yes (Negotiated)
e) Wages, subsistence, or allowances for non-CETA people	No	No	No	Through Dept. of Com. & Com. Aff.	No
f) OJT coupled programs with classroom training	Yes (All instructional cost)	Yes (Negotiated)	Yes	Yes	Yes 100%
g) Programmatic supervision	Yes 100%	Yes	Yes	Yes	Yes 100%
h) Technical assistance for program development and implementation	Yes 100%	Yes	Yes	Yes	Yes 100%
i) Audio visual services for instructional purposes	Yes 100%	Yes	Yes	Yes	Yes 100%
j) Selection, intake, testing, and counseling	Yes 75%	Yes	Only through Dept. of Labor	Yes (Through prime sponsors or job service)	Yes (Bureau for Manpower Serv.)
2) Do you enter into a reimbursable agreement?	Yes	No	Yes (Through vocational school)	Yes	Yes
3) Do you have mobile units? If so, what occupational areas?	Yes (All industrial areas)	Yes (Welding, Machine Shop, Electronics)	Yes (Welding)	No	No
4) Do you have promotional materials?	Yes	Yes	Yes	Yes	Yes
5) Are funds available for training in locating plant's home location—even if a foreign firm?	Yes	Yes	Yes	Yes	Yes
6) Do representatives of your vocational education program travel out of state to visit and study the other states' method of training for new and expanding industries?	Yes	Yes	Yes	Yes	Yes
7) Does your staff personally contact existing industries to determine if vocational education can be of assistance?	Yes	No	Yes	Yes	Yes
8) Are personnel hired in the U.S. by a foreign company sent to the home plant overseas for training?	Yes	Yes (Negotiated)	Yes	Yes	Yes
9) Method of payment to instructors:	Contract or company reimbursement	Paid same rate as part-time instructors	Paid by vocational school	Contract with school	Direct or reimbursed
10) Staff is composed of how many people who work on nothing but the new/expanding industries training program?	25	1	4 and 28 field consultants	2	17 part-time
11) Our training budget for new and expanding industries training this past year was	$1.3 million	$1 million	$2 millions	$750,000	$356,238
12) Number of industries served for FY-81:	22	72 (Including carry-over)	68	26	39
13) Number of programs operated for FY-81:	52		68	26	49
14) Number of people served for FY-81:	3,200	3,000+	6,200	1,135	3,093
15) Percentage of placement for FY-81:	90%	90%	95%	100%	69%

	LOUISIANA	MISSISSIPPI	MISSOURI	NORTH CAROLINA	OHIO
1) The following services are provided by my State to new and expanding industries. Please respond yes or no to the following and % State pays.					
a) Purchase supplies and materials	Yes (Varies)	Yes (Negotiated) 100%	No	Yes (Up to $100 per trainee)	Yes 50%
b) Development of instructional materials	Yes 100%	Yes 100%	Yes 70%	Yes	Yes 100%
c) Provide space or facilities	Yes 100%	Yes	Yes	Yes	Yes 100%
d) Purchase of equipment	No	Yes	Yes 50%	Yes (Limited)	Yes 100%
e) Wages, subsistence, or allowances for non-CETA people	No	No	No	No	No
f) OJT coupled programs with classroom training	Yes 100%	Yes	Yes (Instructor only)	Yes	No
g) Programmatic supervision	Yes 100%	Yes	Yes 70%	Yes	Yes 100%
h) Technical assistance for program development and implementation	Yes 100%	Yes	Yes 70%	Limited	Yes 100%
i) Audio visual services for instructional purposes	Yes 100%	Yes	Yes 70%	Limited	Yes 100%
j) Selection, intake, testing, and counseling	Yes 100%	Yes	Yes (Through Job Services)	Yes (Employment Security Com.)	Yes 100%
2) Do you enter into a reimbursable agreement?	Yes	Yes	Yes (Through local school district)	Yes	Yes
3) Do you have mobile units? If so, what occupational areas?	No	Yes (Pneumatics/Hydraulics, Instrumentation, Welding, Electronics, others)	No	No	Yes (Classroom)
4) Do you have promotional materials?	Yes	Yes	No	Yes	Yes
5) Are funds available for training in locating plant's home location—even if a foreign firm?	Yes	No	No	Yes	Yes
6) Do representatives of your vocational education program travel out of state to visit and study the other states' method of training for new and expanding industries?		Yes	Yes	Yes	Yes
7) Does your staff personally contact existing industries to determine if vocational education can be of assistance?	Yes	Yes	Yes	Yes	Yes
8) Are personnel hired in the U.S. by a foreign company sent to the home plant overseas for training?	Yes	Yes	No	Yes	Yes
9) Method of payment to instructors:	Reimbursed	Direct by schools and contract with industry	Through local school district	Reimbursed or contract	Via local schools
10) Staff is composed of how many people who work on nothing but the new/expanding industries training program?	3	14	Varies	9	26
11) Our training budget for new and expanding industries training this past year was	$1 million	$1,125,000	$200,000	$2 millions	$5 million
12) Number of industries served for FY-81:	40	*75	6	75 approximately	75
13) Number of programs operated for FY-81:	48	*199	21	80	110
14) Number of people served for FY-81:	3,093	*6,823	950	7,000 approximately	48,000 (upgrade)
15) Percentage of placement for FY-81:	84%	95%	91%	99%	Existing employees

	OKLAHOMA	SOUTH CAROLINA	TENNESSEE	WEST VIRGINIA
1) The following services are provided by my State to new and expanding industries. Please respond yes or no to the following and % State pays.				
a) Purchase supplies and materials	Yes 100%	Yes	Yes 100%	Yes 100%
b) Development of instructional materials	Yes 100%	Yes	Yes 100%	Yes 100%
c) Provide space or facilities	Yes 100%	Yes	Yes 100%	Yes 100%
d) Purchase of equipment	Yes 100%	Yes	No	No
e) Wages, subsistence, or allowances for non-CETA people	No	No	No	No
f) OJT coupled programs with classroom training	Yes 100%	Yes	Yes (Negotiated)	Yes
g) Programmatic supervision	Yes 100%	Yes	Yes 100%	Yes 50%
h) Technical assistance for program development and implementation	Yes 100%	Yes	Yes 100%	Yes 100%
i) Audio visual services for instructional purposes	Yes 100%	Yes	Yes 100%	Yes 100%
j) Selection, intake, testing, and counseling	No (Cooperate with Employment Security)	Yes	Yes (Employment Security Com.)	Yes 100%
2) Do you enter into a reimbursable agreement?	Yes	Yes	Yes	Yes
3) Do you have mobile units? If so, what occupational areas?	No	Yes (Welding)	Yes (Welding, Machine Shop, Electronics, Instrumentation)	No
4) Do you have promotional materials?	Yes	Yes	Yes	Yes
5) Are funds available for training in locating plant's home location—even if a foreign firm?	Yes	Yes	Yes	NA
6) Do representatives of your vocational education program travel out of state to visit and study the other states' method of training for new and expanding industries?	Yes	Yes	No	Yes
7) Does your staff personally contact existing industries to determine if vocational education can be of assistance?	Yes	Yes	Yes	Yes
8) Are personnel hired in the U.S. by a foreign company sent to the home plant overseas for training?	Yes	Yes	Yes	No
9) Method of payment to instructors:	Reimbursed	Direct or Reimbursed	Reimbursed	Negotiated
10) Staff is composed of how many people who work on nothing but the new/expanding industries training program?	2	5	16	1 (approximately 33 part-time)
11) Our training budget for new and expanding industries training this past year was		$635,000	$1.2 millions	$160,000
12) Number of industries served for FY-81:	24	77	254	45+
13) Number of programs operated for FY-81:	28	77	240	34
14) Number of people served for FY-81:	1,920	3,793	12,932	806+
15) Percentage of placement for FY-81:	90%	95%+	90% (Approx.)	100%

*Many programs also conducted with voc. ed. funds for existing industry.

This survey was compiled by:

John F. Lord, Director
Division of Interagency Relations
Bureau of Vocational Education
2106 Capital Plaza Tower
Frankfort, Kentucky 40601

NEW/EXPANDING INDUSTRY SURVEY

March, 1982

	100% REIMBURSEMENT	TRAVEL OUT-OF-STATE FOREIGN COUNTRIES	FULL TIME STAFF	DOLLARS	NUMBER OF FIRMS-81
Alabama	yes	yes	25	1.3 mil.	82
Florida	negotiable	yes	3	1 mil.	72
Georgia	yes	yes	32	2 mil.	68
Illinois	yes	yes	2	750,000	26
Kentucky	yes	yes	17 P.T.	358,000	39
Louisiana	yes	yes	3	1 mil.	40
Mississippi	yes	yes	14	1 mil.	75
Missouri	yes	no	varies	200,000	6
N. Carolina	yes	yes	9	2 mil.	75
Ohio	yes	yes	26	5 mil.	75
Oklahoma	yes	yes	7	–	24
S. Carolina	yes	yes	5 (?)	635,000	77
Tennessee	yes	yes	18	1.2 mil.	254
W. Virginia	yes	no	1, 38 P.T.	160,000	45

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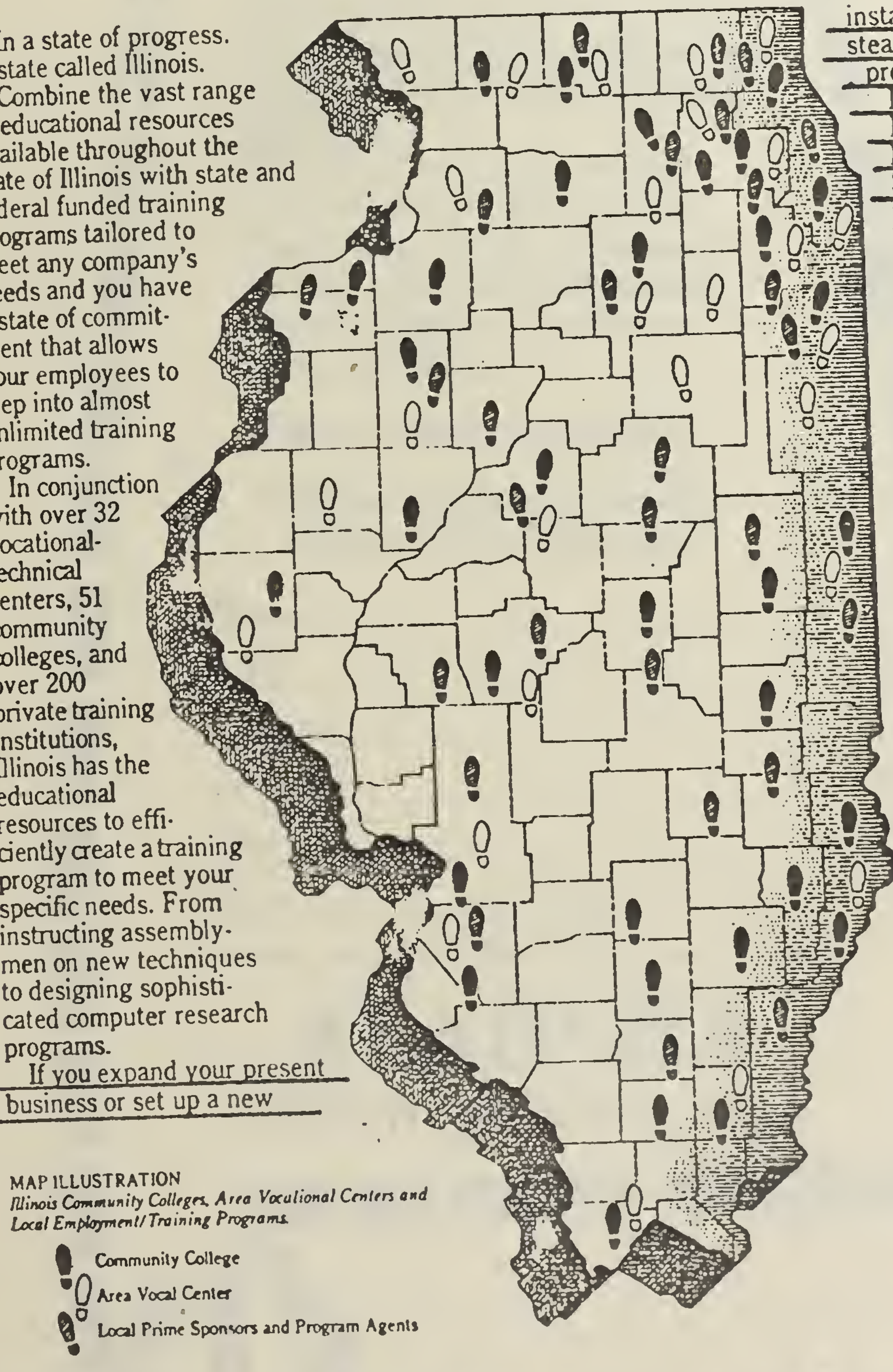
Governor Jim Thompson invites you to find out more about Illinois' job training programs. For more information call Peter Fox, toll free at 800-637-8000. In Illinois call 1-800-252-2923. Or write him at the Illinois Department of Commerce and Community Affairs, 310 S. Michigan Ave., Chicago, Illinois 60604.



MAP ILLUSTRATION
Illinois Community Colleges, Area Vocational Centers and Local Employment/Training Programs

- Community College
- Area Vocal Center
- Local Prime Sponsors and Program Agents

Discover The Magnificent Miles of Illinois

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ECONOMIC DEVELOPMENT/PRODUCTIVITY

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If Productivity Is the Problem. . .

by

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Why a New Direction for Occupational Education?

Catching a New Vision

The immediate temptation, when studying productivity from a human resource development perspective, is to identify the training needs of the existing work force in business and industry and then determine how community and technical colleges can work with business and industry (B/I) to meet those needs. But plunging right into a discussion of training without understanding the problems of lagging productivity is like trying to build a house on sand, that is, without a firm foundation—what we develop may not be what we need.

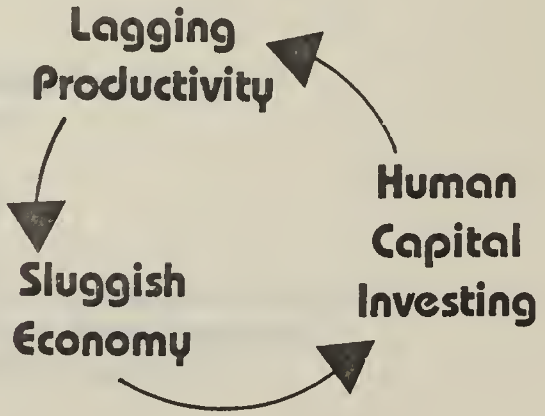
Our foundation should be built on solid answers to critical questions such as these:

- What are the causes, scope, and challenges of lagging productivity?
- How does lagging productivity show itself in the national economy and the stability of the nation?
- How can occupational education and training (i.e., human capital investment) improve productivity and the stabilization of our economic system?
- What are the relationships among lagging productivity, the sluggish national economy, and human capital investment?
- Why is it critical to understand these relationships?
- What does reindustrialization mean in terms of retraining the existing work force, and where do community and technical colleges fit into the picture?

We will try to ferret out some of the answers to these questions in order to understand the emergence of a more enduring mission and more comprehensive involvement of community and technical colleges with business and industry than would be possible without an appreciation of the factors involved in our national economic and training dilemmas.

Occupational education has historically been one of the systems called upon in this country to boost the nation's economic system. The 1917 Smith-Hughes Act, the 1936 George Dean Act, the 1946 George-Barden Act, and the economic effects of occupational education during World War II in moving the country from peacetime to wartime and back again, clearly show how important a role occupational education has had (Meyer 1977).

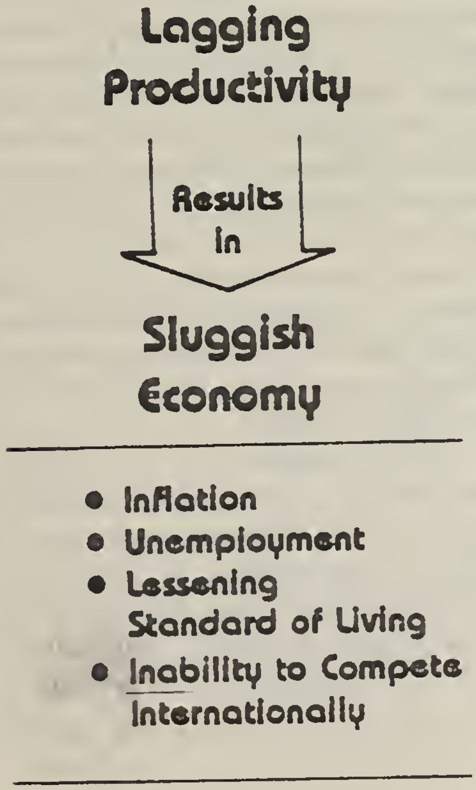
Though the economic rationale for occupational education continues today, many feel that social priorities (such as equity, access, and redistribution of resources) have dominated the past two decades. Meyer (1977) points out that the economic function of occupational education needs to become a priority again. It is time for us to reexamine the role of occupational training in the critical economic issues with us today, including trends related to the national income, production, employment, recession and depression, and recovery, boom, and inflation cycles (Bailey 1971). It is obvious that lagging productivity is contributing to our national economic problems. What we need to understand more clearly is how occupational education can help solve some of the productivity problems. To "catch a vision" of our role in the 1980s and 1990s, we need a thorough understanding of the dynamics of economics, productivity, and human resource development as they interrelate. From this understanding we should be able to see the key position occupied by occupational education. The future of occupational education lies with an expanded vision for economic recovery (Carnevale 1982). If productivity is the problem, occupational education—in the form of community and technical college collaboration with business and industry for retraining and upgrading the adult work force—is a big chunk of the answer.



One of our most important roles can be that of cornerstone to economic recovery through delivery of training services for business and industry. As the only established in-place delivery system (Hopkins 1982), we can emerge as a critical intervening force in improving U.S. productivity and worldwide economic competitiveness. We need to develop a meaningful knowledge of why we need to go in new directions, as well as where we must go and how we can get there. Once we have a solid understanding of the dynamics of our nation's economic problems and their relationship with training needs, we—as decision makers for community and technical colleges—can take leadership in establishing an expanded role for occupational education. But before we can gain this kind of understanding, we will need to become familiar with some sophisticated economics concepts and their inherent limitations (Thurow 1970). Without this awareness, we will fail to "catch the new vision" of the delivery system that we could help create, and which could be a potent factor in national economic recovery.

Economic Problems and Lagging Productivity— A Key Interrelationship

Lagging productivity is one of the contributors to our country's current economic problems. In the short run, lagging productivity increases inflation and unemployment, lessens our standard of living, and confounds our ability to compete successfully in world markets. Long-term effects include social and political unrest, reduced national defense capabilities, snowballing economic problems, and worsened problems in competing in world markets. If the productivity problem continues, its effects could drastically affect the future of our nation. Already, it has touched the lives of most Americans.



Social and Political Disruption

The social and political disruption that could result from continued lagging productivity is ominous. Sar Levitan (1981) suggested that if it is left to continue, we could experience "social confrontation" of staggering consequences. The gains of the poor and minorities in terms of educational access, improved standards of living, jobs, career mobility, and leisure could virtually be wiped out (Parrott 1981). High rates of unemployment and inflation, as well as environmental degradation and urban decay, are likely results (Skibbins 1981).

National Defense

Lagging productivity and its weakening effects on the overall economic foundations of our nation have serious implications for the national defense. Simply stated, during difficult economic times, the monetary resources are not available to support national defense programs at necessary levels (McKee 1981).

Since the early 1970s, the slowdown in national productivity, combined with wage/benefit settlements in excess of productivity gains and with increased foreign competition in world markets, has contributed to a general weakening of our economic and political positions. During this period, monetary and fiscal efforts to resolve the problems have only aggravated them (Carnevale 1981b). The impact of lagging productivity on our economy and on our national security grows more serious each day.

Inflation

Inflation, closely related to lagging productivity, affects nearly every segment of our society. The fact that drops in the nation's productivity cause a big chunk of inflation is not widely known (Freund and Manchester 1980), but according to Dr. C. Jackson Grayson, chairperson of the American Productivity Center, the impact is enormous (Waldman 1980).

During a period of low or zero gains in the productivity of the work force, for example, wage and benefit gains for the workers are paid for by companies' increasing the prices of the goods or services they produce. This increase in prices must be paid by the consumers, who are also the workers. Under these conditions, wage gains contribute to an inflationary spiral because they are not based on gains in productivity. The standard of living of the workers does not make any real gain.

Percentage point drops in productivity have a multiplying effect on increasing inflation. For every 1 percent drop in annual productivity, we can expect a 2 to 4 percent increase in inflation over a four-year period. What basically causes this multiplication of effect is that wage increases during the first year are totally consumed by corresponding inflation in that year, so that in the next year the wages are negotiated at yet a higher rate. Each year, the previous year's inflation sets off new rounds of higher wage demands, whether or not productivity has brought in additional monies to cover the cost of the higher wages. And so the situation escalates.

Standard of Living

Lagging productivity has brought a steady reduction in the standard of living for most Americans. The United States now ranks fifth in standards of living compared with other countries, a drop from the first place in 1972, when the productivity decline in our nation first became noticeable ("The Reindustrialization of Our Nation" 1980).

Glenn Watts, president of the Communications Workers of America, has expressed organized labor's concern over the country's poor productivity growth (Watts 1980). Organized labor has recognized that the well-being of workers stems, in the last analysis, from the nation's productivity. The growth in real wages tracks almost exactly with productivity growth in the United States. When productivity growth ran at 3 percent and above, annually, real wages were growing at 3 percent and above. In the last few years, when productivity was at the 0 percent or minus level, real wages also grew at the 0 percent or minus level. The only way for people to increase the real value of their paychecks is to improve productivity.

Growth in real wages almost exactly follows the rate of growth in productivity.

Unemployment

Lagging productivity affects employment rates directly in two ways (Waldman 1980). First, lagging productivity in selected U.S. industries provides competing foreign countries with a competitive edge in world markets. That competitive edge often means a reduced market share for U.S. manufacturers, which in turn means layoffs, as recently witnessed in the steel, automobile, and rubber industries in the United States.

Second, lagging productivity causes excessive inflation—a relationship only recently recognized by economists and fiscal policymakers, who have been using traditional monetary and fiscal policies to restrain inflation. To reduce inflation by 1 percent, we must throw a million people out of work for three years, which adds over $25 billion to the national deficit (Carnevale 1981b).

Underemployment of U.S. workers is increasing because of lagging productivity. Our decline in international competitiveness has shifted leadership—and related highly skilled jobs—to world markets overseas. Remaining jobs in the United States, while plentiful at times, call for reduced skill levels. Since 1972, the United States has slipped from second to seventh in the percent of skilled workers in the work force (Drews 1981). Our exports steadily decline in the level of technical skill required for their manufacture, while our imports increase in technical skill required.

Since 1972, the United States has slipped from second to seventh place in the percent of skilled workers in the work force.

According to General Alton Slay, commander of the Air Force Systems Command, as our productivity growth rate declines, U.S. industry becomes less competitive and our world market share also declines. This weakens our dollar and further increases the costs of imports, including oil and nonfuel minerals. A smaller market, coupled with a weakening dollar, means less capital available for investment in the kinds of equipment and technologies that could enhance our productivity and recapture our competitive edge. This circular problem approaches a "Catch-22" status, impairing further productivity growth (McKee 1981).

We need to address our economic problems from the perspective of their interdependence on lagging productivity. The Committee for Economic Development recently stated, "This country cannot reasonably hope to control inflation, raise real income, and improve the quality of living unless the unfavorable trend in productivity is reversed" (Bolino 1981).

What We Need to Know about Productivity

Productivity is a central issue, these days, in any discussion about the economy. This is not only because it is a main component in measuring the gross national product and the national economic situation, but because its recent slowdown has been so pronounced after years of dependable increase (Bolino 1981). But there is a lot more talk about productivity than there is real knowledge about what it is and what causes it. Few terms have had so many different interpretations, and yet have been used as though a precise definition existed (Hershauer and Ruch 1978). Sound research and theory are noticeably lacking, and are sorely needed.

Defining Productivity

The term "productivity" is not used clearly or consistently, even in the professional literature, and it has proven a slippery term to define (Hershauer and Ruch 1978).

Productivity is not production, but it will improve our production performance. Productivity is not profitability, but it will improve profit. Generally, productivity is viewed by management and union policymakers as the overall effectiveness and performance of individual organizations (Katzell and Yankelovich 1975). More specifically, productivity is a relationship or ratio between the goods and services we produce for clients and transfer to them through the price mechanism. It is an input–output ratio, where the inputs are person-hours of work, materials, energy, and capital (Christopher 1981), and the outputs are the products or services sold. In the broad sense, it should refer to the ratio of *all* outputs of an organization to *all* of the inputs employed (Hershauer and Ruch 1978). This is sometimes referred to as the multiple input–output, or total factor measurement, of productivity (Arai 1981).

To give an example, if only the traffic tickets issued by police officers are counted in measuring their productivity and determining their wages, the incentive for officers is to issue routine traffic violation citations because of their speed, rather than to become involved in other, more serious law enforcement duties such as arresting reckless or drunken drivers, which are time-consuming.

Inputs in the productivity equation of work organizations might include many subtle factors, such as sabotage, absenteeism, turnover, scrap and other waste, and theft, as well as wage and benefit costs, energy, material, and plant and equipment investments. On the other hand, the definitions for outputs could be expanded to include the long-term benefits to the company, improved profits for shareholders, improved international position, improved products and product quality to consumers, and more elusive factors such as improved environmental impact and impacts on the community. Looking at productivity from another angle, the *quality* of the decisions made by people in the service or public sector can be much more important than the *quantity* of the paper they process (Auerbach 1981). It may be more important to consider productivity in terms of the quality of the cars rolling off the assembly line than simply to take a count of how many cars were produced in a day. Obviously, there should be an optimum balance between quantity and quality.

Measuring Productivity

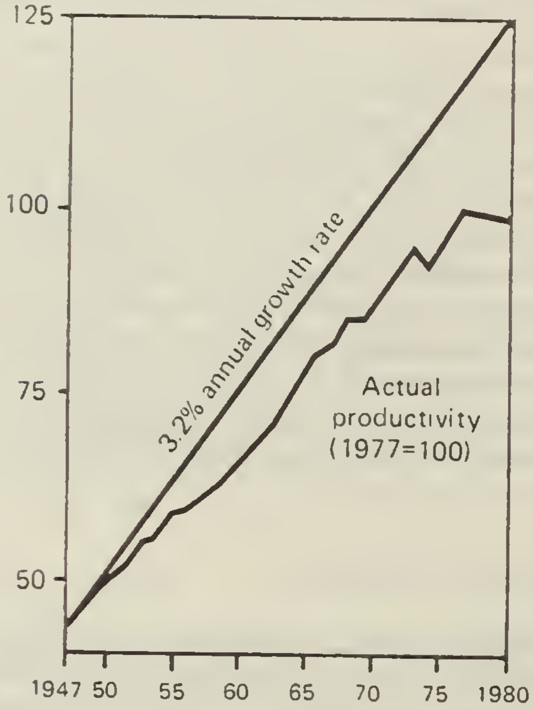
The Committee on National Statistics studied the problems involved in measuring productivity gains and losses, and conceded that the complexities make the measurement of productivity more of an art than a science (National Academy of Sciences 1979). Even so, that same report suggested that a sufficient body of information and data exists about national productiveness to allow worthwhile measurement to take place (Striner 1981a).

It is not the purpose of this paper to deal with the construction of complex productivity indexes. Instead, what follows is a brief overview of changing productivity levels that are important to understanding why we, as a nation, currently find ourselves in a productivity slump.

Productivity levels generally experienced modest increases throughout the nineteenth century, and leveled off to around 2.4 percent annually following World War II. Beginning in 1966, though, there was a disturbing deceleration in productivity growth, which was down to 1.6 percent by 1973, and fell to an average of 0.8 percent between 1973 and 1978. Since 1978, productivity levels have continued to decrease annually, and have actually fallen below their previous year's productivity level (Bolino 1981), as is seen in figure 1.

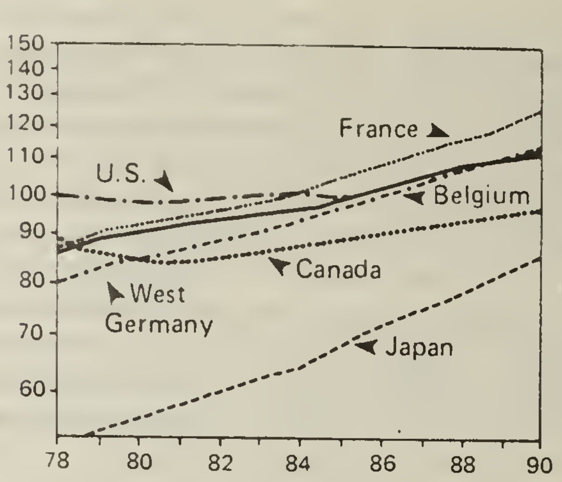
At the end of World War II, the level of American productivity was almost double that of the United Kingdom and France, three times the level of Germany and Italy, and seven times that of Japan. Japan and Western Europe rapidly rebuilt their war-devastated industrial facilities, however, while the United States seemed to be satisfied with its then-mature industrial facilities and technologies. By 1973, Canada, the Netherlands, Sweden, Belgium, and France reached at least three-quarters of the United States' level of output per hour, and Japan

Figure 1 Output per Hour of All Persons Employed in Private Business Sector (1947-80)



Source: American Productivity Center, Houston, Texas, 1981.

Figure 3 Projected International Productivity Trends, 1978-90 for Six Nations Leading in National Productivity Levels*

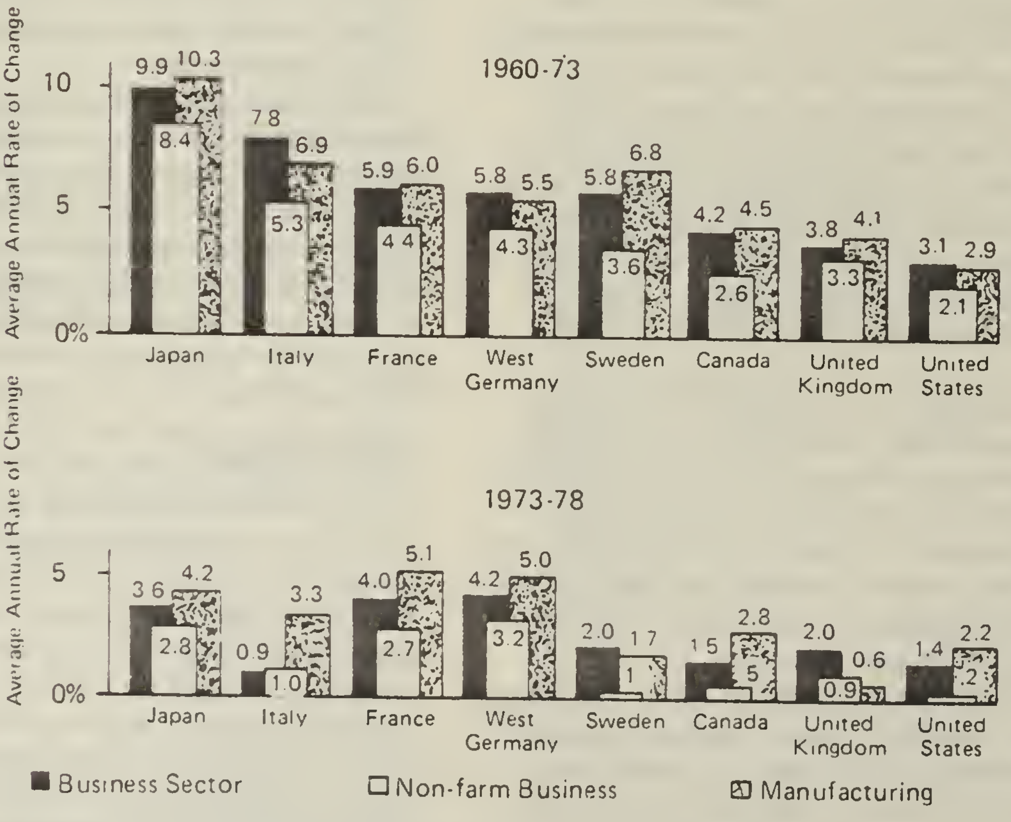


*"Productivity" is expressed in terms of Real (1970$) GDP per hour worked.

Basic data: Angus Maddison, 1981 revision of data in the paper, "International Productivity Comparisons—National Differentials."

Source: American Productivity Center, Houston, Texas, 1981.

Figure 2 Rates of Growth in Labor Productivity: Total Business, Nonfarm Business, and Manufacturing Sectors (Eight Countries, 1960-73 and 1973-78)



Source American Productivity Center, Houston, Texas, 1981.

and West Germany's productivity levels were over twice what ours was, especially in manufacturing (see figure 2). The productivity improvement in these countries has continued to be substantial during a period when American productivity has continually declined. Soon, the overall productivity level of the United States will be surpassed by foreign countries with smaller work forces and other resources. Figure 3 illustrates that takeover.

Burton Malkiel, chairperson of the economics department of Princeton University, recently described the unusual falloff in U.S. productivity as "the most basic sickness of the U.S. economy" (Skibbins 1981). There is little debate that productivity growth has slowed, or that the slowdown affects inflation, unemployment, the balance of payments, our standard of living, and our national and international economic and political position. The slowing is a fundamental, secular change, and not merely a cyclical slowdown. Unfortunately, the causes are not clearly understood, nor are the actions needed to reverse the trend (Haggerty 1980).

Causes of Lagging Productivity

Economists and other experts have expressed three major positions on the causes of lagging productivity: (1) the cause of lagging productivity since 1973 is a mystery; (2) one to three factors, and only those, are the prime causes; and (3) multiple factors are responsible. The disagreement among experts is intense and real (Bolino 1981).

One such expert, Dr. Edward Denison of the Bureau of Labor Statistics, examined the economic growth of the United States since 1929. He had serious problems accounting for the real causes of the decline in productivity since 1973, stating, "What happened is, to be blunt, a mystery" (Denison 1979).

Among those experts who believe that a limited number of factors are the sole causes, the following factors are believed to be the major culprits: the slowdown in growth of high-productivity industries (Bolino 1981); the weakness of capital formation for the period between 1973 and 1978 (Kutscher, Mark, and Norsworthy 1977); the end of farm-to-nonfarm shift of hours (ibid.); and the lack of investment in people, machinery, and research and development (Skibbins 1981).

Those experts who believe that the causes of lagging productivity are multiple have listed the following factors: (1) curtailment of expenditures on research and development; (2) reduction of patent applications, thus depressing the opportunity for major technological advances; (3) decline of "Yankee ingenuity"; (4) a lag in the application of knowledge due to the aging of capital investments in equipment and processes; (5) governmental regulations; (6) governmental paperwork required of businesses; (7) loss of the work ethic in the work force; (8) errors in measurement data; (9) changes in the quality of management; (10) rises in energy costs; (11) lack of business investment in technology and people; (12) lack of personal savings; (13) declining rates of capital utilization and reinvestment; (14) relatively low rates—and related problems—of low productivity service industries; (15) increased numbers of less experienced young workers, minority members, and women joining the work force; (16) cyclical fluctuations in the economy; (17) the end of the shift in labor from agriculture into industry; (18) escalation of inflation; (19) late deliveries; (20) work dissatisfaction; (21) disruption of work commitments; and (22) lack of government-backed incentives (Christopher 1981; Denison 1979; Jorgenson 1980; Parrott 1981; Striner 1981b; Waldman 1980).

Of all the causes mentioned, two key factors are repeatedly cited by economists, and these two factors are believed to affect productivity in other countries as well. They are: (1) *lack of up-to-date technology* (equipment, processes, facilities) and (2) *lack of investment in human resources* (knowledge, advancement, and development of workers' skills and capabilities).

Human resource development, when defined as the educational level of workers and advances in knowledge created by the work force, contributed more than a third of the value of technological advancement responsible for economic growth from 1948 to 1973. This is critically important to all of us as Americans, but especially to us as persons responsible for the development of human potential. Advances in "hard" technology—tangibles like transistors or assembly lines—have too often been given the credit for past growth and the responsibility for future recovery. Economic figures show that human resource development is equal to or exceeds the value of technological advancement in stimulating past economic growth, and this factor should be given equal or more attention as a major source for economic recovery in the years ahead. *Lagging productivity is caused in great measure by lack of investment in human capital and in technology.*

Human resource development is equal to or exceeds the value of technological advancement in past economic growth.

By treating the basic cause of our economic difficulties (lagging productivity caused by a lack of investment in human capital and new technology), we can expect to see improvements in both the "bottom lines" of our industries and in the economic well-being of our population (Thurow 1970). Such investment will reduce inflation and unemployment, and will thus increase the standard of living (Meyer 1977). The challenge is clear: if we are to improve our nation's economic status, we must first increase our national productivity (Taylor 1981).

There is no doubt that the role of human resource development in increasing productivity (and therefore improving our economy) is a critical one. But unless we understand the role of public and private education and training within the context of new economic policies, we face the danger of designing improvement efforts that are disconnected and counterproductive. Given the chance, public and private training and retraining of our existing work force can prove to be the all-important link between the employment and training efforts in our new economic development strategies (Wolfbein 1981).

What We Need to Know about Economics

To understand clearly the interrelationships among productivity, the economy, and human resource development, we must look at (1) how our economy has expanded and contracted during the past thirty-five years, (2) the controls that have alternately restrained and stimulated the economy, (3) the role of lagging productivity in our present economic condition, and (4) the economic tools that are available for dealing with the situation.

From the mid-1940s to the early 1970s, our economy was marked by unprecedented expansion. It was the time of the postwar baby boom, the purchase of new homes, the "flight to the suburbs," the investment in first and second cars, and the purchase of all the goods and services necessary to the new American life-style. For the consumer, there was low unemployment, stable prices, no inflation, and a sharp rise in the standard of living. For the producer, there was a lack of serious foreign competition, as well as strong productivity gains because of the workers' increased level of education, the increased economic savvy of management, and great progress in technology. Consumer savings stockpiled during the war rounded out this era of positive economic growth by providing a ready supply of capital for industrial expansion (Carnevale 1981b).

For the next thirty years, economic policies based on the rosy decade of the 1940s were effective for the United States. In keeping with the economic theories of Keynes, the economy was easily monitored and adjusted through monetary and fiscal policies that were targeted to reduce inflation, stabilize prices, and minimize unemployment. Simple adjustments in taxes, federal spending, and the money supply were enough to keep the economy under firm control. The concept that you could spend your way out of a recession and times of high unemployment by cutting taxes and boosting government spending was well-suited to a time when capital investment and productivity levels were high.

But the system began to crumble in the early 1970s. We noticed that our economy was starting to lose its strength and progressiveness. The driving forces of the economy of the baby boom, pent-up demand, and the flight to the suburbs were no longer there. We saw the end of yearly increases in our productivity levels, and we saw the creation of a new world market that was strongly laced with competition. Simply stated, the economic controls used from the mid-1940s to the early 1970s were losing their effectiveness.

Simple supply- and demand-side economic policies have not worked successfully since the 1960s, a period that marked the end of a positive ratio between productivity and wage gains as well as the end of a market structure nearly devoid of foreign competition (Carnevale 1981c). Today, most economists agree that the United States' economic problems go deeper than unduly high or low readings on economic indicators such as inflation, unemployment, productivity growth, and savings (Etzioni 1981). According to federal Budget Director David Stockman (Greider 1981), the so-called traditional economic policies now actually exacerbate inflation and unemployment. As was mentioned earlier, reducing inflation today by 1 percentage point, using traditional economics, causes an increase in unemployment that is in excess of 1 million persons; this in turn adds over $25 billion to the national deficit.

New Economic Policies

Today most economists seem to agree that the foundation or infrastructure of the American economy has weakened and needs shoring up (Etzioni 1981). Clearly, a new framework of economic understanding—one that addresses the infrastructural problems now inherent in our economy because of lagging productivity and increased foreign competition—will be needed to begin this repair (Jorgenson 1980). Traditional monetary and fiscal policies that are used to alter our nation's money supply must be expanded in order to increase technology and human resource development in the very factors that drive our economy: a productive business sector or a progressive industrial base (Carnevale 1981b). So far, our traditional economic policies have failed to focus directly on shoring up the business sector or to place attention on public education, employment, and training.

To date, three separate economic approaches for accomplishing this policy expansion have emerged (Etzioni 1981). Amitai Etzioni, director of the Center for Policy Research in Washington, D.C., arranges these economic approaches on a continuum from radical conservative through moderate central to left liberal.

A new framework of economic understanding will be needed.

A Conservative Approach

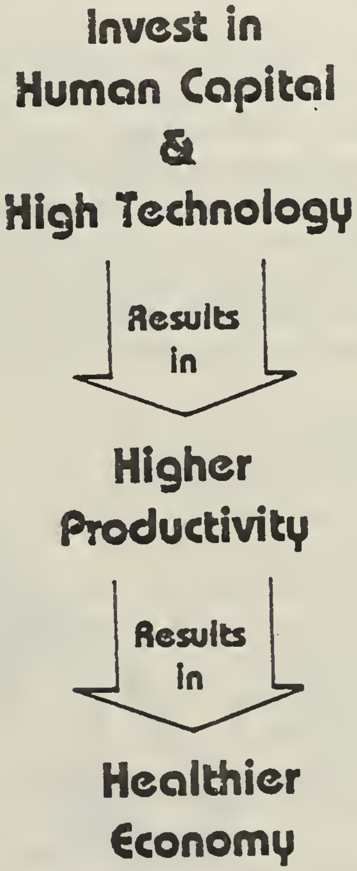
At the "radical conservative" end of the spectrum, we find what is sometimes called supply-side economics. Proponents of this philosophy say that what ails our economy is an overinvolvement of government in the lives of our citizens and in the operation of our businesses. The remedy is to move government out of these areas, and allow both consumers and industrialists to return to whichever sector they prefer. Opponents of the philosophy argue that this approach does not guarantee any improvements in the productivity of the industrial base.

A Liberal Approach

The "left liberal" approach holds the notion that government needs to intensify its involvement in the economy because of one basic factor: business, industry, and consumers have not invested their money correctly in equipment, technology, human resources, or research and development. In this philosophy, the solution to our economic problems lies in government-guided, collaborative efforts in which business and labor pull together. Industries designated as "winners" are to be showered with government subsidies, loans, loan guarantees, research and development write-offs, and other types of support. The "losers" would be buried, or in the more common vernacular, "sunsetted." Arguments against this approach reflect the concept that "left liberalism" smacks of creeping socialism, and that most of our population would question whether or not the government has the data, insight, and ability to direct a major share of our industrial activities.

The Real Supply-Side Approach

The third approach is referred to as reindustrialization, or what might be called "real supply-side" economics. A basic component of this approach is its emphasis on investment in both human resources and new technology in order to strengthen the industrial base of our country. Real supply-side economics is defined by Dr. Lester Thurow, professor of economics and management at the Massachusetts Institute of Technology, as a systematic effort to increase the quantity or quality (supply) of labor and capital entering the economy, and to improve the efficiency with which these components are used (Parrott 1981). The emphasis of real supply-side economics is on improving the industrial base: the very "engine" of the economy. The focus is on improving both the human and technical capital of the business sector.



Vocational education and occupational training are the educational components of the real supply-side approach for economics (Feldman 1981). The concept recognizes education and training as being necessary to the development of a productive and mobile work force (Carnevale 1981b). In light of such recognition, it is perhaps fitting that the slogan for real supply-side economics is "revitalization, reindustrialization, and recapitalization."

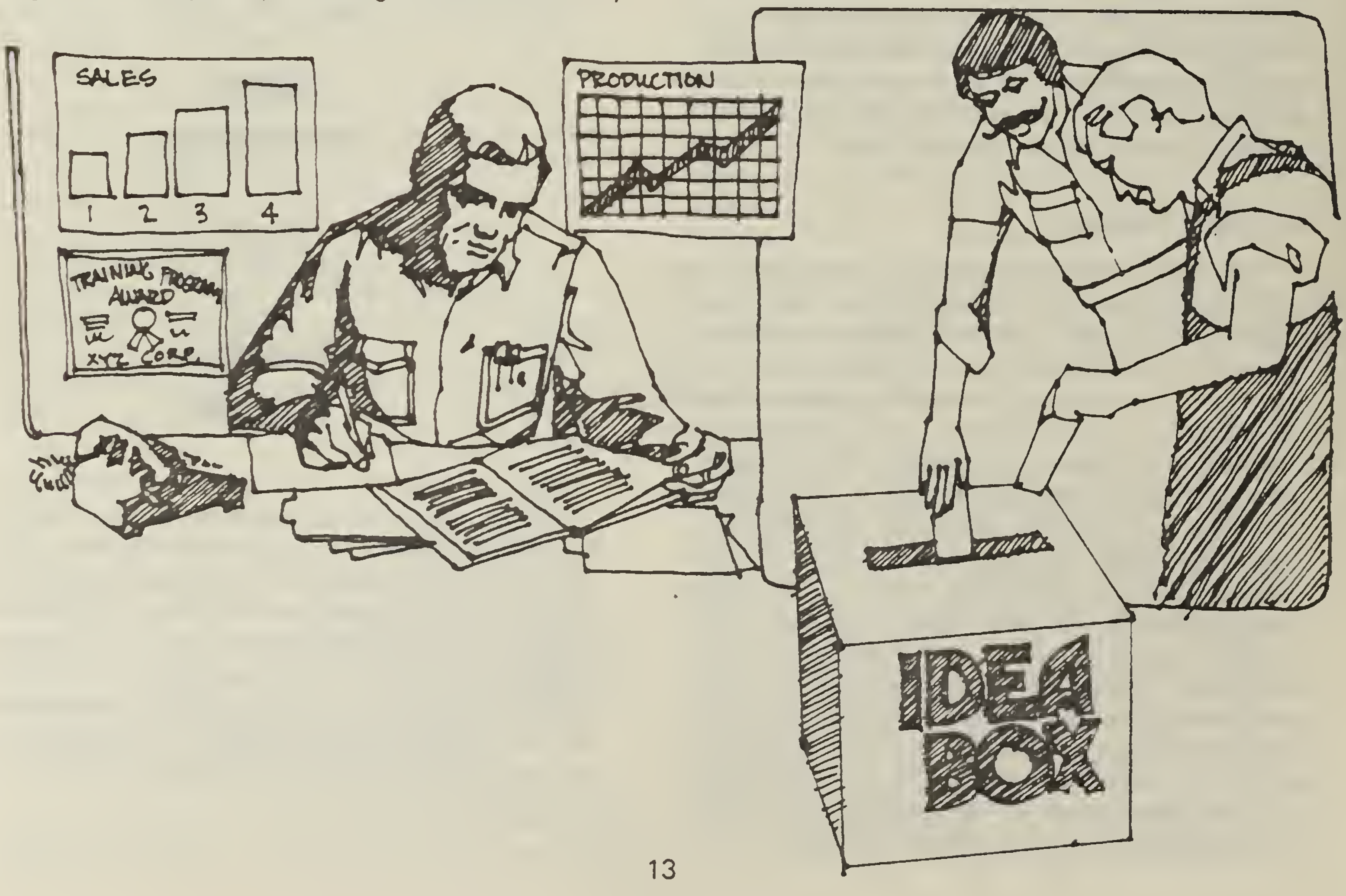
There must be a focus on improving both the human and technical capital of the business sector.

Human Capital Investment – A Significant Part of the Answer

As you can see, real supply-side economics focuses on improving the industrial base of our country. It places major emphasis on improving the human and technical capital of enterprise as a fundamental approach to economic recovery. Another important element of the approach is that training and occupational education is also a critical part of the recovery process.

There is no doubt that improved productivity and eventual economic recovery require an investment in human and technological capital. Currently, however, some feel that the emphasis on human capital investment as one of our government's economic priorities has all but disappeared—despite mounting evidence from other countries that human capital investment indeed has a dramatic effect on increasing productivity and promoting economic recovery (Skibbins 1981). Although technology is important, the feeling that human beings and their development are even more important is becoming increasingly widespread. It is being recognized that economic problems revolve around productivity, and that productivity relates more directly to labor than it does to capital investments in technology (Parrott 1981). According to available economic growth research conducted between 1948 and 1979 (Denison 1979), the fact of the matter is that human capital investments accounted for a larger share of productivity growth during this period than did machine capital (Carnevale 1982). In terms of statistics, investment in plants and equipment accounted for only about 10 percent of our economic growth during this period, while advances in technological knowledge and the increased education of the labor force accounted for over 45 percent of the growth (Watts 1980).

Dale Parnell, president of the American Association of Community and Junior Colleges, questions the logic of encouraging investment in machines rather than in people. According to Parnell, "Our society will be evaluated based on what we do with our people and not our machines. . . . not to use people well is waste" (Parnell 1982). The late Congressman William Steiger phrased it this way: "We



seem to have little problem in giving tax breaks for capital investment and machine depreciation, but make great resistance at the suggestion of tax incentives for employee training and job upgrading" (Rosow 1974).

We seem to have little problem in giving tax breaks for capital investment and machine depreciation, but make great resistance at the suggestion of tax incentives for employee training and job upgrading.

What Do Human Capital Economists Say?

The concept that human capital investment is critical to increasing productivity and promoting economic recovery is supported by the studies of human capital economists. Since the late 1950s, this area of study has continued to grow. Edward F. Denison, a long-time senior fellow with the Brookings Institution and now the associate director of the Bureau of Economic Analysis, U.S. Department of Commerce, has carried out five landmark studies on "growth accounting," or the process of determining the sources of economic growth.

In a recent publication, *Accounting for Slower Economic Growth: The United States in the 1970s,* Denison (1979) made separate measurements of a number of key factors that have affected the growth and slowdown of the U.S. economy since 1948. After conducting detailed analyses on a vast amount of data, he was able to demonstrate repeatedly the impact that education and advances in knowledge (as applied to technological growth and improved manufacturing processes) have had during our periods of great economic growth and slowdown. Through his work, he was able to demonstrate that the role of education and advances in knowledge transcends the role of new facilities or equipment. Thus Denison's findings have provided a strong leg of support for the concept that education and advances in knowledge have had much greater impact on economic growth than has capital investment.

Other prominent researchers have also offered their support to the concept that education is a key factor in economic development. Amitai Etzioni, director of the Center for Public Research, is already well known for his commitment to the importance of human capital investment. Recognized as a leading spokesperson on the reindustrialization of America, Etzioni has presented the primary thesis that for America to maintain both a high standard of living and a strong national defense on a long-term basis, an intensive ten-year effort to increase productivity is necessary. He has warned that we cannot afford to underrate the value of human capital in this effort. Reindustrialization is a process that requires a motivated, educated, and trained work force, and any economic policies targeted to rejuvenate our productive capacity must place an emphasis on *both* technology and people.

The list of supporters is growing. Dale Jorgenson, repeatedly cited for his work in understanding the impact of human capital investment on productivity and economic recovery, has expressed the opinion that human capital is indeed an important factor to economic growth and slowdown (Jorgenson 1980). Other writers who have studied economic growth, such as Shultz, believe that schooling is a major source of human capital and that investment in schooling increases future productivity (Evans 1981). The work of Martin J. Bailey (1971), associate dean of the Graduate School of Management, University of Rochester, echoes the belief that productivity growth is influenced by investment in new technology, and that there is a clear need for increased human capital investment in order to improve our chances for increased productivity and economic recovery. Lester Thurow (1970), the noted authority on human capital and author of *Investment in Human Capital,* believes that traditional economic theory does not consider the important role that human capital has in increasing productivity. As a note of hope, however, Thurow has pointed out that research findings showing the importance of human capital to economic growth and productivity are beginning to surface.

There are others who share this note of hope. Anthony Carnevale (1982), a consulting economist with the American Society for Training and Development, believes that as a nation, we are just beginning to realize the importance of the human factor in productivity. Citing various studies, he compares the United States' lack of continued investment in human resources to the emphasis placed on this factor by other countries, and the corresponding effect that this lack of investment has had on our economic status. It is his belief that our new directions for economic recovery must and will include a heavy reliance upon human capital investment.

Investing in Human Capital:
The Corporate Experience

Relying on past observation, experience, and research, companies in the United States and foreign countries can testify that human capital investment does work. Companies such as General Motors, Delta Airlines, R.G. Barry Corporation, Hewlett Packard, Control Data, IBM, Wells Fargo, Kodak, and 3M are all examples (Ouchi 1981; Pascale 1981). Countries with a national commitment to human capital investment, such as Japan, West Germany, Italy, and France, all show the positive impact it can have on increasing productivity (Arai 1981). Here in this country, states such as Oklahoma, North and South Carolina, and Florida have demonstrated that a state-level commitment to human capital investment can have very positive effects on state economic recovery (Jackman and Mahoney 1982).

The Bureau of International Labor Affairs (ibid.) has reported that the decline in U.S. trade since the 1960s "is the result of difference in the growth of the net real investment in equipment *and* acquisition of labor skills through education and training." Between 1963 and 1975 the United States' share of the world's skilled workers fell from 29 percent to 26 percent. Internationally, we have dropped from the second to seventh place in the skill endowments of our workers since the early 1970s, and from first to seventh place in the ratio of skilled workers to population. The skill content of our imports continue to increase while the skill level of our exports decreases. Other countries are steadily increasing their numbers of engineering, science, and other technical graduates at the professional and technician levels. Japan, a country half our size in population, graduates twelve thousand engineers per year—about equal in number to our own annual level (Carnevale 1982). Indeed, other nations' economic health testifies to the importance of human capital investment, and gives us clues for directions in which we must move.

The future of public and private training must be based on an expanded vision of economic policy, how productivity affects economic recovery, and how human capital investment is a key to improving productivity (ibid.). The challenges and opportunities for those of us involved in education and training are vast and exciting.

The future lies with an expanded vision of economic policy, how productivity affects economic recovery, and how human capital investment is the key to improving productivity.

Reindustrialization

Reindustrialization—also called revitalization or real supply-side economics—has been cited as a solution to our lagging productivity and its disastrous effects. Amitai Etzioni (1980, 1981), recognized as a leading spokesperson on the topic of reindustrialization in America, has claimed that "for America to sustain a high standard of living and set aside resources needed for national security, at least a decade of shoring up productivity capacity is required. In essence, we are in need of a period of reindustrialization." Etzioni believes that American society has allowed itself to become underdeveloped.

Herbert Striner (1981b) believes that our country needs to develop our technological capacities, our labor force, and the national policies vital to fostering such a direction. Daniel Taylor (1981), former secretary for Vocational and Adult Education, U.S. Department of Education, echoes the message that reindustrialization is needed, and has called for a new partnership among government, labor, and the private sector in order to accomplish what will need to be done. William Roesch, president of the United States Steel Corporation, has quoted that company's beliefs, as expressed in their current advertising: "In these United States, reindustrialization is not just an interesting concept . . . it is a vital necessity." He also has pointed out that the neglect of the past twenty years will require a mammoth effort to revitalize the steel industry and the economy as a whole in the next decade (Roesch 1981).

The development and investment in pneumatics, hydraulics, electromechanics, lasers, fiber optics, advanced computer applications such as computer-assisted design and computer-assisted manufacturing (CAD/CAM), and the many applications of microcomputers and microelectronics all represent the beginning of reindustrialization in our country. Technology is expected to undergo major changes about every four years now, compared to a major change every thirty-five years in the last century. This vastly speeded-up rate of change has staggering implications for human resource development (Hopkins 1982). Now is the time—the iron is hot—for America to revitalize its industries, making optimum use of its technological opportunities, and especially of its capacity for private sector training and public occupational education, in order to achieve the reindustrialization the country so badly needs.

A recent Harris poll (Harris 1981) found that industry, labor, government, and the general population believe that lagging productivity is our number one problem. Never before have all four groups agreed to such an extent on one issue; and if the poll is to be believed, we are indeed ready for the challenge of reindustrialization.

JOB REDESIGN

Job redesign, in its broadest sense, is attracting (Ketzell, 742) and will continue to attract greater attention as a process to improve both human productivity and quality of worklife. Job redesign has the potential for being an important cornerstone for an entirely new style of organizational management (ASTD Handbook, 509). One of the most significant ways to develop organizations is to redesign and restructure (Etzioni, 1980-84) the work itself. Job redesign puts work and fun at the same ends of the pole and allows increased productivity to go hand in hand with both improved worker satisfaction and growth (Hackman, 1980).

Job redesign improves productivity and quality of company work life (Hackma The reindustrialization of America aimed at improving productivity/QWL will develop more efficient producers, processes, and equipment. It will necessitate job redesign on a scale not approaced since WWII, (Evans, 1981-75). Estimates range from 20% or 20 million jobs to 80% of the existing jobs in America or 80 million jobs could be substantially improved through job redesign.

Job redesign is an effort to enhance worker motivation by increasing the levels of responsibility, meaningfulness and feedback (Kirby, 1977-775; Parsons, 1978-776) that are built into jobs (Hackman, 1980). Principles that are used in implementing work redesign include: combining tasks, forming natural work units, establishing client relationships, loading the job, and opening feedback channels (Hackman, 1981). Job redesign focuses on the structuring and restructuring of both the process and the procedure with tasks and duties. It examines how a job is developed, arranged, executed, measured and controlled (Improving Total Productivity).Of importance is the concept of increasing discretionary judgment of the worker over as many aspects of the related tasks and duties associated with the job as possible (Improving Total Productivity-700).

Expected outcomes of job redesign include: high internal work motivation, high "growth" satisfaction, high general job satisfaction and high work effectiveness and reduces absenteeism, tardiness, turnover and grievances. Work effectiveness is improved by increasing both quality and quantity of goods and services produced. Some feel sabotage, theft and deliberate low productivity levels are all improved (Hackman, 1980; Herzberg, 1959).

Theorists most recognized for their work in job redesign are Frederick Herzberg and also the team of J. Richard Hackman and Greg R. Oldham (Dowling, 1978-746), their theories are reviewed in the report.

It should be noted that job redesign is often used as a rubric encompassing such areas as job enrichment, orthodox job enrichment, job enhancement, job enlargement and job islands. Job redesign most frequently refers to the refashioning of the job itself, creative worker autonomy, more democracy in the workplace, feedback, responsibility and meaningfulness of the job.

Job redesign by its nature necessitates significant training. Critical to any job redesign is the skill variety that is added to a job to improve the meaningfulness of the work. Redesigned jobs are so organized as to challenge or stretch the skills and knowledge of the worker so that the worker experiences meaningfulness in their work. Therefore, for people to feel comfortable in the redesigned job, it is essential that the workers be trained in the high skill/knowledge competency needed for a particular job.

Specifically, two types of training are required for job redesign. First, is technical training, to insure that employees have the knowledge and skills necessary to execute their enriched tasks competently. Second is interpersonal relationships and decision making training. Under job enrichment, a great deal of decision making and coordination may be required and the prior work experiences of the employees may have provided them with few chances to exercise or hone their skills in carrying out such activities. The training by its nature needs to be tailored to meet the needs of the particular organization and it varies in degree of depth. Occupational education and training professionals will need a background on job redesign and typically the training needs that develop as a result of job redesign in order to effectively assist in delivering the training needed to the employees.

Few detailed accounts exist for the specific training that is required for job redesign implementation. Presented is an approach to job redesign for persons at the level of worker, supervisor, and low-level mid-management.

GENERAL EMPLOYEE TRAINING NEEDED FOR JOB REDESIGN

Employee Training Needs - Orientation Training. Prior to implementing job redesign, employees will need answers to these questions: what is job redesign, why are we installing job redesign, how will job redesign work, and what does job redesign mean for the company and for me (GM, 1982-Dayton; Morse Borg Warner, Intrvw. 1982). They will need to understand the philosophy, principles and techniques of job redesign.

Employee Training Needs - Technical and/or Scientific Skill Development. Employees whose jobs are redesigned may need additional skills and knowledge concerning: a new manufacturing or support services process being used; how to operate and/or maintain new equipment, tools, etc.; background information regarding an unfamiliar product or service with which one is now working; techniques for improving efficiencies to comply with or exceed standards; and approaches to measuring, controlling and making corrections for quality and quantity.

Some employees will need training in how to plan work through organizing, scheduling, problem solving, goal setting and making decisions on the use of resources. (Modern Mgmt. Theory, 193; ASTD, 750) Additionally, training may be needed to help selected individuals to become self-supervising.

Note, skills come from technical disciplines including; manufacturing, quality control, industrial engineering and business. The greater the understanding and skill development level of the employee in the above areas, the more significant the workers satisfaction will be and the greater opportunity for the company to realize added efficiencies through employee genius.

Employee Training Needs - Communications and Basic Skill Development. Because job redesign often increases the level of communication, responsibility, and scientific/technical knowledge needed by a worker, training may be needed by workers in the following areas: basic applied skills in technical reading, writing and mathematics. Improved skills may be needed in interpersonal relationships, verbal and nonverbal communications, problem solving, the decision making process and conflict resolution and reaching consensus (Hackman, 1980).

If the job redesign causes group work, skill development may be needed in group process, developing trust, understanding self and others and related skills. Selected employees may need team and facilitator leadership skill development. Additional skill development needs are listed for employee/group participation, in the next unit under Employee Training Needs - Group Process Skills, in the section on Employee Participation.

Employee Training Needs - Miscellaneous. Basic computer literacy may be needed.

SUPERVISOR TRAINING NEEDED FOR JOB REDESIGN INTERVENTIONS

Critical to the success of any job redesign intervention is the involvement and thorough understanding of the concept and its application by various level supervisors. Often, the failure of job redesign implementation strategies can be pinpointed on the lack of understanding, commitment and training on the part of the supervisory staff (Wright Air Force Base interview). Job redesign leads to a decrease in worker satisfaction when the supervisory staff are not trained to mesh with the new responsibilities and increased autonomy of the persons whose jobs are redesigned. Additional duties that can be assigned supervisors include: gathering data for charting trends and forecasts in work volume and workforce needs; training employees in their new responsibilities and counselling them about work related problems and career opportunities; helping subordinates set performance goals and reviewing with them their performance in obtaining those goals; providing increased openness of communication both upward (sharing employee concerns with higher management) and downward (sharing with employees information about changes in organizational objectives and policies); developing and testing with the subordinates innovations and methods in procedures for executing and coordinating the work; working on aspects of the work context (such as compensation and control systems, opportunity structures, equipment and space) that may be causing dissatisfaction or impeding employees' work; and managing the evolution of the job enrichment process itself.

Supervisor Training Needs - Orientation Training. Supervisors, like other employees, will need a basic orientation to the system of job redesign. They will need an orientation not only for the perspective of the supervisor, but also from the perspective of the employee. See Employee Training Needs - Orientation for additional items. They will need to understand the philosophy, principles, and techniques of job redesign.

Supervisor Training Needs - Technical and Scientific Skill Development. Supervisors will need to have not only an orientation to job redesign, but will need detailed information regarding job redesign. Most often, supervisors will be critical to the job redesign process. Therefore, they will need a detailed background into the theory and practice of job redesign, an understanding of the theoretical concepts by such writers as Herzberg, Hackman, and Oldham, and others. They will need to know how those theories are applied to management of people. In addition, they will need to know specifically how one actually does redesign a job, what are the key component parts to a quality job, and how to evaluate the effectiveness of job redesign. The Air Force has a forty to sixty-hour training program on these concepts. Additionally, supervisors will need training in the new supervisory skills needed to supervise their employees. Particularly, training will need to emphasize how to apply the new leadership styles, decision making to help make better decisions that benefit the employees, problem solving under job redesign, conflict resolution under job redesign, delegation, coaching, reinforcing, support, how to maintain and enahance self-esteem of workers, empathy, and how to provide support without removing responsibility for action.

To become confident in the new responsibilities given to the supervisor as their job is enriched, supervisors may need skill training in: gathering data for charting trends and forecasts in work volume and workforce needs; training employees in their new responsibilities; counselling employees about both work-related problems and career opportunities; helping subordinates set performance goals and reviewing their performance in obtaining those goals; providing increased openness of communications both upward and downward; developing and testing with subordinates innovations and methods in procedures for executing and coordinating the work; working on such aspects of the work context as compensation, control systems, opportunity structures, equipment and space; and managing the evolution of the job enrichment process itself.

Job enrichment in work areas means that employees will address and solve higher level problems. This means that the problems which cannot be solved by the workers and are brought to the supervisor will be problems that are higher level than previous problems were. Therefore, the supervisor will need scientific/technical training at a higher level in such areas as: equipment maintenance and operation; efficient work processes and procedures; and maintaining and measuring both quality and quantity of work. Advanced skills in business, such as scheduling, budgeting, and calculating cost effectiveness, may be needed.

Supervisor Training Needs - Communications and Basic Related Skill Development. Because of job redesign and the new job challenges it presents, supervisors may need a higher level of training in technical report writing, reading and math/measuring skills. In addition, skills in listening, presenting and asking the right questions could be needed (Air Force). Interpersonal skills in understanding self and others and effective verbal and nonverbal communications may need to be sharpened because of the new level of communications needed with both higher and lower job classification levels. Skills in reinforcement and feedback may be essential. Depending upon the job redesign structure, supervisors may need added skills in group processes. Team and facilitator leadership skills may also be needed (Morse Borg Warner-Denver interview 2/1/82). Additional skills are listed in the next section under Employee Participation, Supervisor Training Needs-Group Process Skills.

LOWER LEVEL MID-MANAGEMENT TRAINING NEEDED

Lower level of mid-management jobs typically represent those positions to which first line supervisors report.

Training Needs - Orientation Lower Level Mid-Management Personnel. See Supervisor Training Needs - Orientation for Training Need.

They will need specific detailed information to understand the details of job redesign so that they can effectively participate in the job redesign of their supervisors and in helping their supervisors redesign the jobs of the workers. They will need to know the specifics of the philosophy, principles, and techniques of job redesign.

Lower Level Mid-Management Personnel Training Needs - Technical/Scientific. See Supervisor Training Needs - Technical/Scientific for details.

Advanced training may be needed in such skill areas as decision making, problem solving and conflict resolution as they apply to job redesign. They will need additional insight into ways of applying the new leadership style made necessary through job redesign. Delegation, coaching, reinforcement, positive models as well as skills in maintaining and enhancing self-esteem of supervisors and workers, empathy, and providing supervisors support without removing responsibility for action, are all important skills related to job redesign (Air Force). Understanding such management theories as Herzberg, Maslow, McGregor, and Theory "Z", is important (Bodek, 1981). They may not need the detailed training in operations as supervisors, however, their training needs in some areas may be at an advanced level compared with supervisors.

Lower Level Mid-management Personnel Training Needs - Communications and Basic Skill Development. Interpersonal skills in understanding self and others and effective verbal and nonverbal communications may need to be sharpened because of the new level of communications needed with both higher and lower job classification levels. Skills in reinforcement and feedback may be essential. Depending upon the job redesign structure, they may need added skills in group processes. Team and facilitator leadership skills may also be needed (Morse Borg Warner-Denver interview 2/1/82). Additional skills are listed in the next section under Employee Participation, Lower Level Mid-management Training Needs - Group Process Skills.

Lower Level Mid-management Training Needs - Miscellaneous Skills.

EMPLOYEE PARTICIPATION

Quietly, almost without notice, a new management practice is being incorporated into organizations throughout our country to improve both productivity and quality of worklife. This new management practice is sometimes called employee participation. Interestingly, foreign observers of our scene such as Dr. Fukuda, winner of the 1978 Deming Prize for quality control improvement, believes that the participation of U.S. workers in the production and decision making process of U.S. organizations, will be the key to the success of America's effort to improve human productivity and quality of work life (Fukuda, 1981). A massive effort in this direction may be emerging.

Sidney Harman, former undersecretary of the U.S. Department of Commerce believes the human beings and their mind resources represent as important or more important resource to our country and our efforts to improve productivity/QWL as does technology (Harman, 1979-212). The underlying principle is that workers both in the private and public sector are a virtually untapped natural source of ingenuity and enthusiasm. This ingenuity can be put to work when workers at all levels are able to participate in decisions made on the shop floor, in the office, in the hospital, or wherever. The real success of the American free enterprise system may well lie in our ability to tap these resources and continue to more completely extend democratic principles to the shop floor to more effectively capitalize on the employees ability to contribute directly to the success of the enterprise (Noll, 1982; Ross, 1980).

Among the more significant reasons for this new thrust include: the recognition of employee participation as an effective management practice for improving productivity and quality of work life thus providing business and industry with an opportunity to be more competitive in the foreign markets, to preserve jobs; and to contribute to the economic stability of the United States; the higher expectations for participation by employees; the higher educational attainment levels of employees; and ,the increased complexity of technology in both the office and factory requiring additional employee interaction and participation. Employees at all levels are in day-to-day contact with the processes and procedures that ultimately determine the quality and quantity of the goods and services they produce. Given the opportunity, employees can spot and correct such situations needed for improvement or identify where resources are being wasted (Simper, 1981-820).

The research on the success of employee participation, is positive (Katzell). Employee participation has repeated had its effectiveness documented in western european countries such as Norway, Sweden, France, The Netherlands, West Germany and the United Kingdom with remarkable advances over a more traditional management practices (Rosow, 1981-452). Comparative studies between the United States and Japan repeated attest to the strengths of employee participation over traditional management practices (Pascale, 1981-809).

Companies such as Proter and Gamble, Herman Miller, General Motors, IBM, Polaroid, 3M, Hewlett-Packard, Midland-Ross, Xerox Corporation and other companies are repeatedly testifying to the impact that employee participation can have (Ouchi, 1981; Ross, 1980-the Scanlon Way; Business Week, 1981; and How Managers Motivate). The trend is clear and the evidence growing that organizations can meet their twin goals of increasing job satisfaction (QWL) and improve both the quality and quantity of production through employee participation. A potential for growth and the number of persons who will need training and retraining for this new management practice counts in the millions (Adm. Mgmt, 1981).

Employee participation is a loose term conjuring up as many definitions as there are people using the term. It is a concept. It is worker involvement in management type activities: Planning, problem solving, decision making, and self-supervision (Axtell, 1981). In the process, the employee is permitted to influence activities, but management gives up neither authority nor responsibility for the results. Employee participation can be viewed as a mechanism that encourages participation. Employee participation may be viewed as narrowly as a few employees occasionally giving minor suggestions for productivity improvement to autonomus work groups. However, typically the system allows small groups of workers to come together voluntarily to focus on areas of concern. Reinforcement, feedback, recognition and training are provided the participating employees. Frequently, employees involved in participation kinds of arrangements, receive hourly feedback on how production and quality is doing, report to top management at least twice a year on their efforts, receive a great deal of recognition for their achievements, participate in some kind of economic gain sharing, are provided job security, are involved in developing strategies to retain employees during hard times, and provide workers an opportunity to be involved in work simplification studies.

Several of the expected outcomes noted in the research include: reduction in scrap, redo work, overtime, absenteeism, dissatisfaction, and number of grievances filed by employees. Improvements have been shown in the efficiency of work process, and both quality and quantity of goods and services produced. Employee worker satisfaction has improved. A large base of theoretical research and actual case studies is supportive of employee participation as a viable managment practice.

Employee participation as a management practice takes many different forms in business and industry. Predominantly, it is expressed through group and teamwork arrangements for the purposes of increasing human productivity/QWL. General Motors calls their employee participation program Employee Participation Groups; Ford Motor Company calls their effort Employee Involvement; Control Data uses the term Involvement Teams and Herzberg refers to Democratic Participation Groups.

Other terms include: Worker Participation Groups, Quality Circles, Problems Solving Meetings, Teams, Zero Defect Groups, Improvement Groups, Quasi-Industrial Engineering Teams, Involvement, Performance Circles, Study Groups, Scanlon Plan, Gains Sharing, Delegative Management, Individual Involvement, Safety Teams, Productivity Improvement Teams and Bottoms-Up-Management.

Training in the management practice of employee participation is essential for growth in the United States. Our dedication to these principles will need a total commitment to comprehensive training of all employees. Interestingly, the average Japanese employee during their first ten years of employment can expect in excess of 500 days of training (Ouchi, 1981).

Research done by the International Association of Quality Circles (IAQC) indicates that a serious need exists for training at all levels for the implementation of management practices. Surprising little attention has been given to the kinds of training needed in order to fully utilize the employee participation. It is generally agreed that employees, supervisors and managers will need training in: an orientation to the new management practice, technical and quasi-scientific training as it relates to their job content, management skills needed to perform their job, measurement skills for measuring quality and quantity of work, and both broad skills in communications and group interaction (Landen, 1981).

EMPLOYEE TRAINING NEEDED FOR EMPLOYEE PARTICIPATION

Employee Training Needs - Orientation. It is generally agreed that employee participation should begin by building on a level of awareness on the part of all workers being involved. All workers will need to understand the philosophy, principles, and techniques of employee participation. They will need an awareness of orientation to what employee participation is, how it works and how it will benefit both the company and them (Axtell, 1981; Reiker, 1981; General Motors, 1980).

Employee Training Needs - Technical and Scientific. Because employees may well be given added responsibility for cost reduction and additional challenges to their job, in many situations workers will find a need for a higher level of technical skill development. Workers may need a greater depth of understanding of the equipment and tools they use, how they are operated, maintained, repaired, and a better understanding of the processes and procedures as well as the standards that related to the job so that can more effectively impact on reducing inefficiency (Simper, 1981; Fukuda, 1981). Training in ways to reduce loss and recognize loss potential may be critical (Simper, 1981). Business related skills such as planning, organizing, problem solving, scheduling, goal setting, making decisions on the use of resources, ordering, how the budget works and project management may also be needed (Simper, 1981). Employees may also need to learn skills in self supervision and to understand not only how their job gets done but also how it relates to other jobs (Adm. Mgmt., 1981).

Employee participation as a management practice places great attention on training employees to help improve both the quantity and quality of production. Training may be needed for some of the following quality and quantity measurement techniques: brainstorming, data gathering, Pareto analysis, cause and effect diagrams, cause and effect diagrams with the addition of cards, central tendancy, frequency distribution, histograms, cross tabulation, scattergrams, charts and graphs, management presentation, stratification, and $\overline{X}$-R control charts. In addition, both problem solving and decision making process training may also be needed (Reiker, 1981; Fukuda, 1981; Wright State Univ.). Training may also be needed to work simplification and work study for timing jobs.

Employee Training Needs-General Communications. Research and observation have repeatedly shown the need for communications skill development for those involved in employee participation according to both a recent study conducted by the International Association of Quality Circles and the work of Wayne Reiker who is considered by many to be the father of employee participation groups in America (Vaughn, 1981; Reiker, 1981). Generally, skill training may be needed in interpersoanl relationships because of the increased interaction on a high level between people (Simper, 1981; GM, 1980). Basic skills in language, reading and writing and oral presentation may be needed (Vaughn, 1981; Sagarn, 1981; Air Force, 1981). Skills in creative thinking, problem solving, and decision making may also be needed.

Employee Training Needs-Group Process Skills. It is generally agreed that a collection of capable people does not always produce a good team or good participation as a group. Training is needed to bring out the best potential of a group of people. Research studies continually support the need for training in group processes for employee participation management practices to work most effectively (Vaughn, 1981; Lippitt, 1969). Specifically to a varying degree, training for persons who will be working in a group or team situation under employee participation include: team building (Francis, 1979) and group dynamics (Rieker, 1981). Skills will be needed in how to present ideas to other groups and other levels of the organization, brainstorming, choosing the right problem on which to work, problem solving, conflict resolution, and both verbal and non-verbal communications (Reiker, 1981; Vaughn 1981; Ross, 1982). In addition, employees may need skills in running effective meetings, developing agenda, and the mechanics of meeting operations (Air Force, 1981).

SUPERVISOR TRAINING NEEDED FOR EMPLOYEE PARTICIPATION

Some have said that the success or failure of employee participation hinges on the ability and enthusiasum of the supervisor.

Supervisor Training Needs-Orientation. See employee Training Needs-Orientation on page . Supervisors will need a more comprehensive understanding than employees because of their key leadership role.

Supervisory Training Needs-Technical and Scientific. See Employee Training Needs-Technical and Scientific, page

Supervisors will need to have not only an orientation to employee participation, but will need detailed information regarding employee participation. They will need a detailed background of the theory and practice of employee participation. They will need to know how these theories are applied to the management of people. In addition, they will need to know specifically how one does employee participation interventions. They will need new supervisory skills. Particularly, training will need to emphasize how to apply the new leadership styles. They will need to know how to train their employees in their new responsibilities; counseling employees about both work related problems and career opportunities; helping subordinates set performance goals and reviewing their performance in obtaining those goals; providing increased openness of communications both upward and downward; developing and testing with subordinates innovations and methods in procedures for executing and coordinating the work; working on such aspects of the work context as compensation, control systems, opportunity structures, equipment, and space; and managing the evolution of the employee participation process itself. They will need a higher level of skills and knowledge in some operations and in understanding the whole to be of greater assistance to subordinates. In addition, supervisors will need improved skills in how to share their power with the leadership of the group, how to recognize, consult with, and be influenced by the leaders of the group (How Managers Motivate, 1978). Supervisors will need skills in coaching, serving as resource persons, and in reinforcement skills (Axtell, 1981; Simper, 1981).

Supervisor Training Needs-General Communications. See Employee Training Needs-General Communications, page . Supervisor level of skill development may need to be higher than subordinates because of the increased responsibility and leadership of their job. Skills in feedback and reinforcement may be essential.

Supervisor Training Needs-Group Process Skills. See Employee Training Needs-Group Process Skills, page . Supervisors may need a higher level of skill development because of their new role.

LOWER LEVEL MID-MANAGEMENT PERSONNEL TRAINING NEEDS

Lower level mid-management personnel are typically thought of as the person to whom the supervisor reports.

Lower Level Mid-Management Training Needs-Orientation. See Supervisor Training Needs-Orientation, page . They will also need specific detailed information to understand employee participation so that they can effectively participate in helping their supervisors implement employee participation at their level and for the smooth implementation at the levels of the lower level mid-management.

Lower Level Mid-Management Training Needs-Technical and Scientific. See Supervisor Training Needs-Technical and Scientific, page for details. However, it should be recognized that unlike supervisors, lower level mid-management will not need the training in machines, procedures and other operations, and basic supervisor skills to the extent needed by supervisors. They may need a greater depth of understanding of the principles of management since greater management responsibilities may be given to them. What requires specific training for supervisors such as use of cause and effect diagrams may require only awareness level training for lower levels of mid-management.

Lower Level Mid-Management Training Needs-General Communications. See Supervisor Training Needs-General Communications page . Note however, that such basic skills as language etc., should not necessarily apply to lower level mid-management.

Lower Level Mid-Management Training Needs-Group Process Skills. See Supervisor Training Needs-Group Process Skills, page for details.

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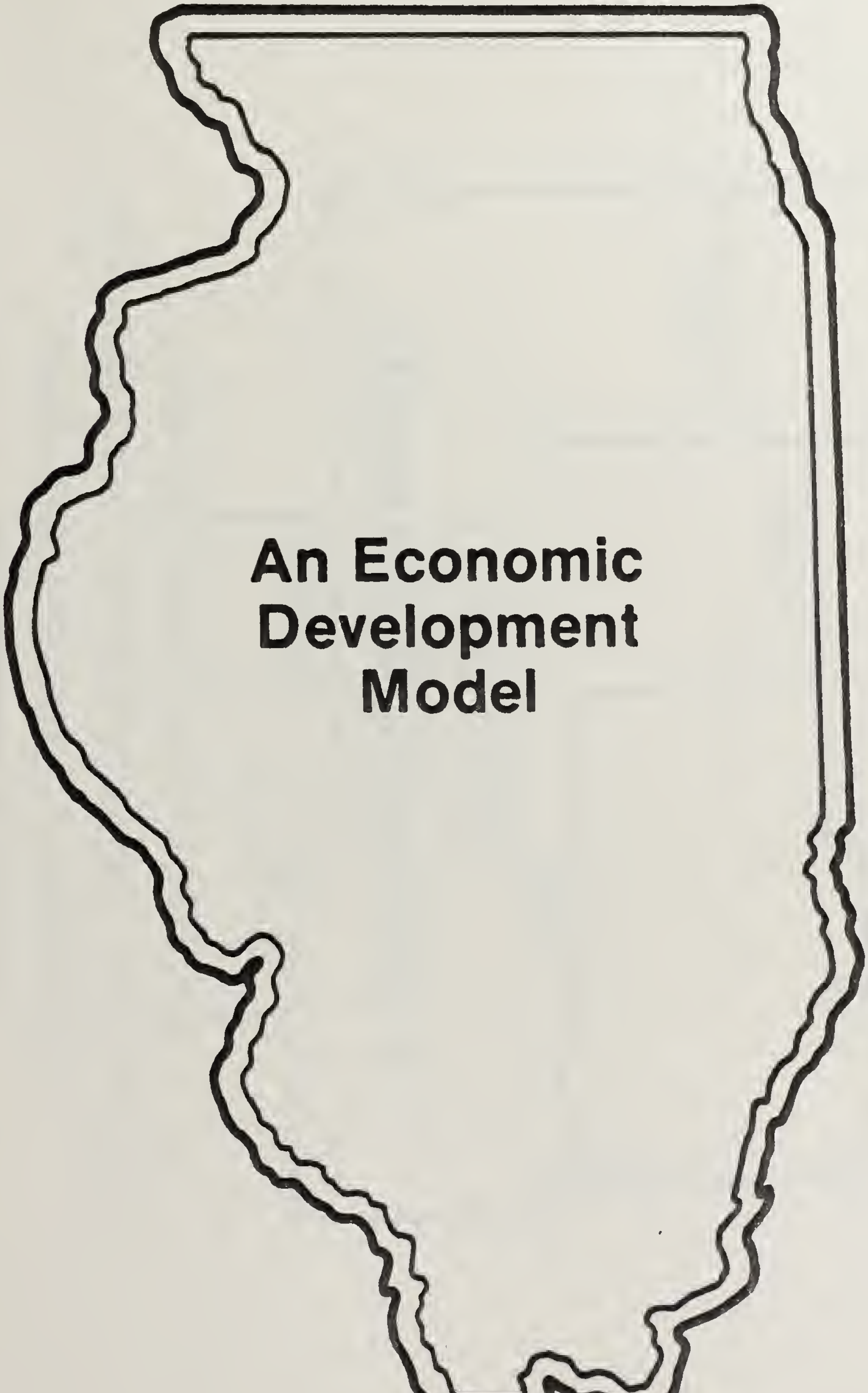
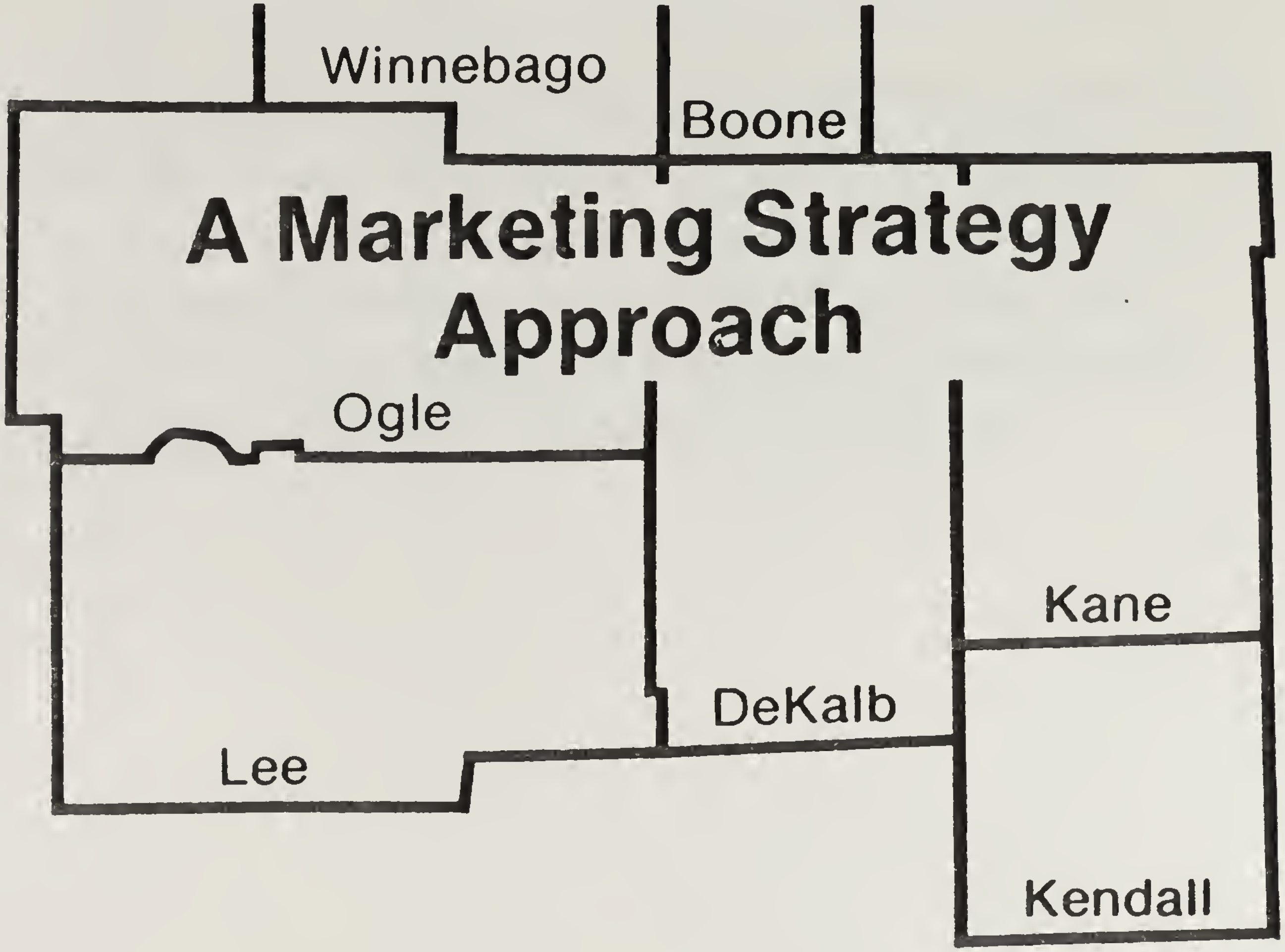
Exhibit B



An Economic Development Model

Northern Illinois Regional Economic Development and Human Resources Consortium

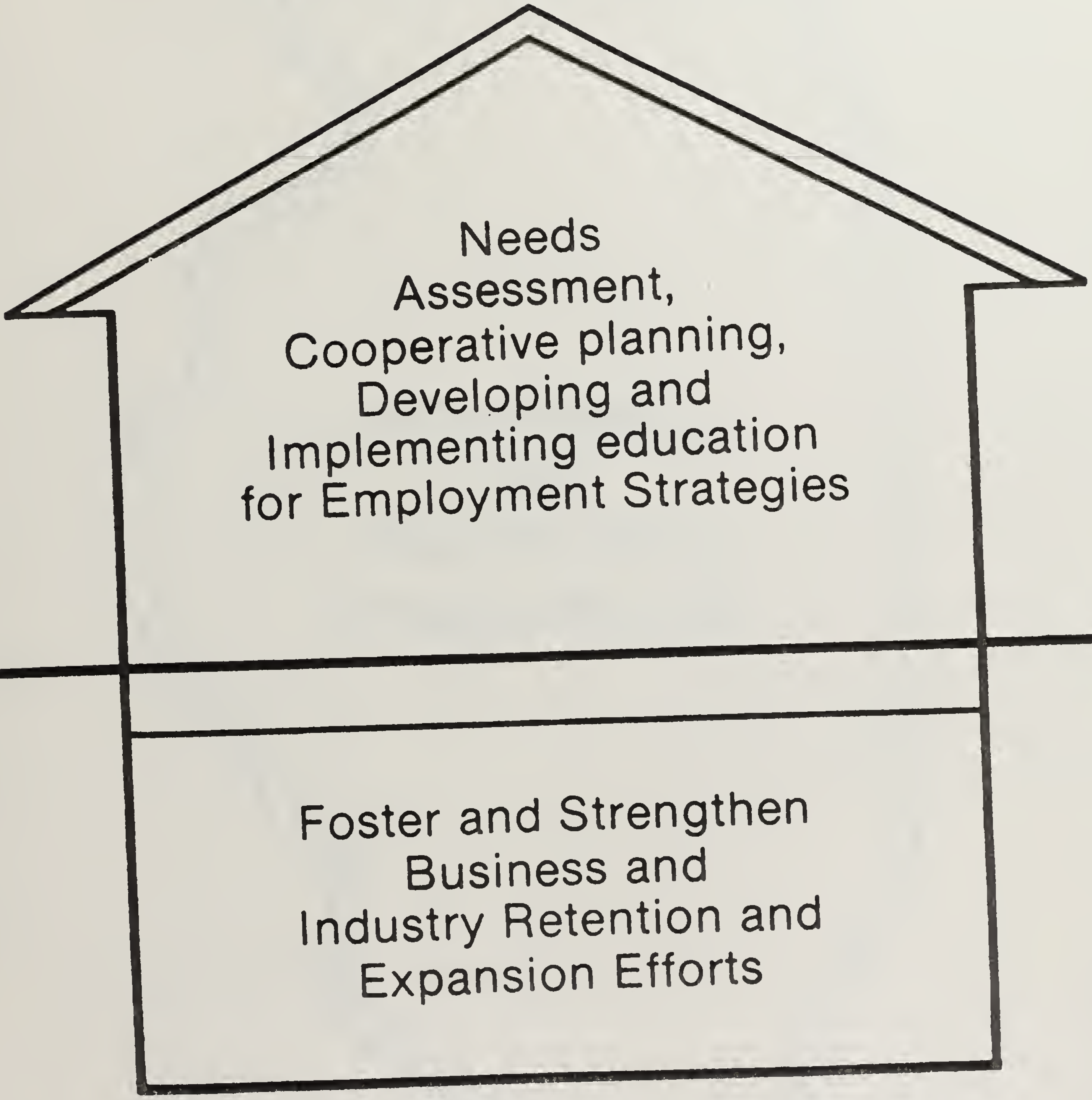
A Marketing Strategy Approach



Economic Development Defined:

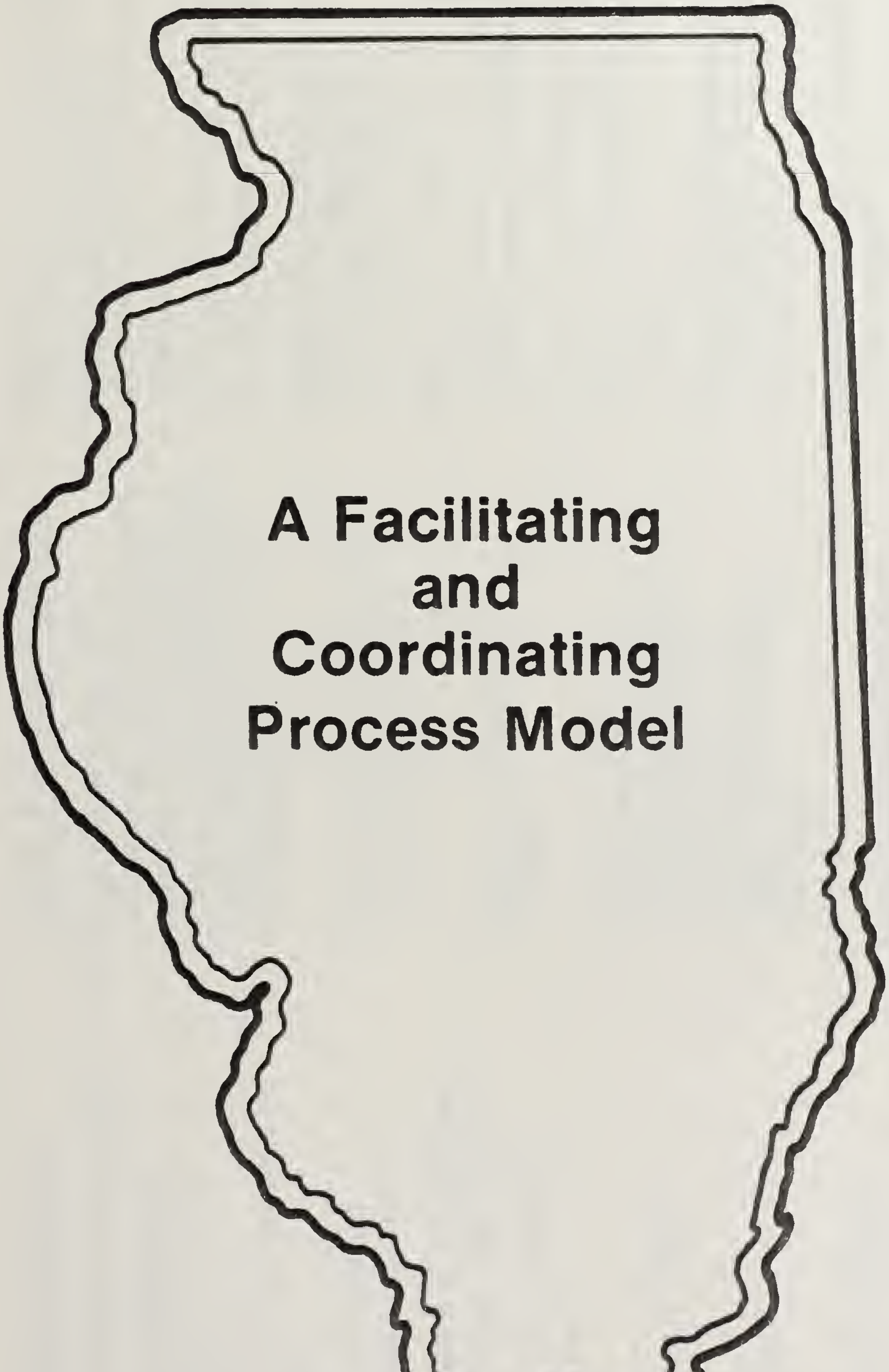
"A set of planning actions designed to attract new industry, expand existing industry, revitalize existing industry, and increase productivity growth rate. As a result, the quality of life in a community or state will be positively changed."

Two Major Project Goals



Needs
Assessment,
Cooperative planning,
Developing and
Implementing education
for Employment Strategies

Foster and Strengthen
Business and
Industry Retention and
Expansion Efforts



A Facilitating and Coordinating Process Model

Economic and Human Resource Development Requires Cooperation of Education at all Levels, Human Resource Agencies, and Economic Development Agencies

Educational Institutions

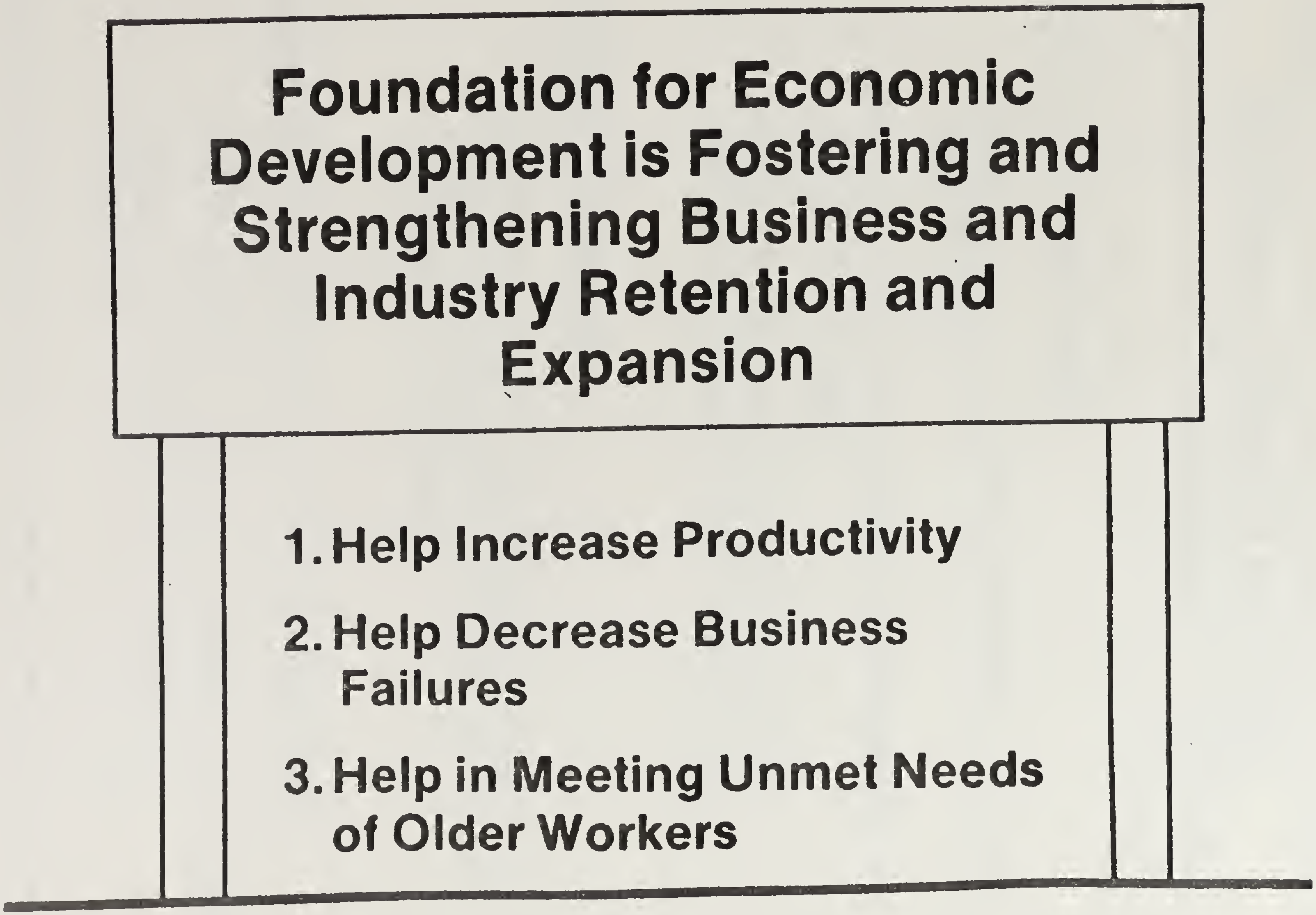
- Northern Illinois University
  - College of Business, Office of Business Research
  - Center for Governmental Studies
  - Illinois Council on Economic Education
  - Coordinator of Vocational & Technical Education
  - College of Continuing Education
- Rock Valley College
- Elgin College
- Waubonsee College
- Kishwaukee College
- Secondary Schools and Area Vocational Centers

Human Resource Agencies

- Illinois Department of Commerce and Community Affairs—Private Industry Council and Comprehensive Employment Training Act Prime Sponsors
- State Advisory Council on Vocational Education
- Illinois Job Services Offices
- Adult Vocational and Technical Education—Regional Vocational Administrators and High Impact Training Services
- Labor and Management Councils
- Illinois Employment & Training Council

Economic Development Agencies

- Illinois Department of Commerce and Community Affairs
- Council of 100 and Rockford Area Chamber of Commerce
- Director of Community Development and Geneva Area Chamber of Commerce
- Elgin Area Chamber of Commerce
- Greater Rochelle Economic Development Association
- Aurora Area Chamber of Commerce
- Valley Industrial Association, Aurora
- Economic Development Committee and Sycamore Area Chamber of Commerce
- DeKalb Economic Development Commission
- Designated Individuals Responsible for Economic Development in Other Major Cities Such as Batavia, Belvidere, Carpentersville, Dundee, Mt. Morris, Oregon, Oswego, and St. Charles



Foundation for Economic Development is Fostering and Strengthening Business and Industry Retention and Expansion

1. Help Increase Productivity
2. Help Decrease Business Failures
3. Help in Meeting Unmet Needs of Older Workers

Northern Illinois University
Research and Development Activities

Increasing Productivity:

- Model for Forecasting Business Success and Failure
- Business and Economic Forecasting on Quarterly Basis
- Series of Productivity Conferences Utilizing Focus Group Research

Decreasing Failures:

- Micro-Computer Software Package to Assist in Computing Financial Needs of Small Businesses

Meeting Unmet Needs of Older Workers:

- Pre-Retirement Needs Assessment System
- A Model Pre-Retirement Training Program

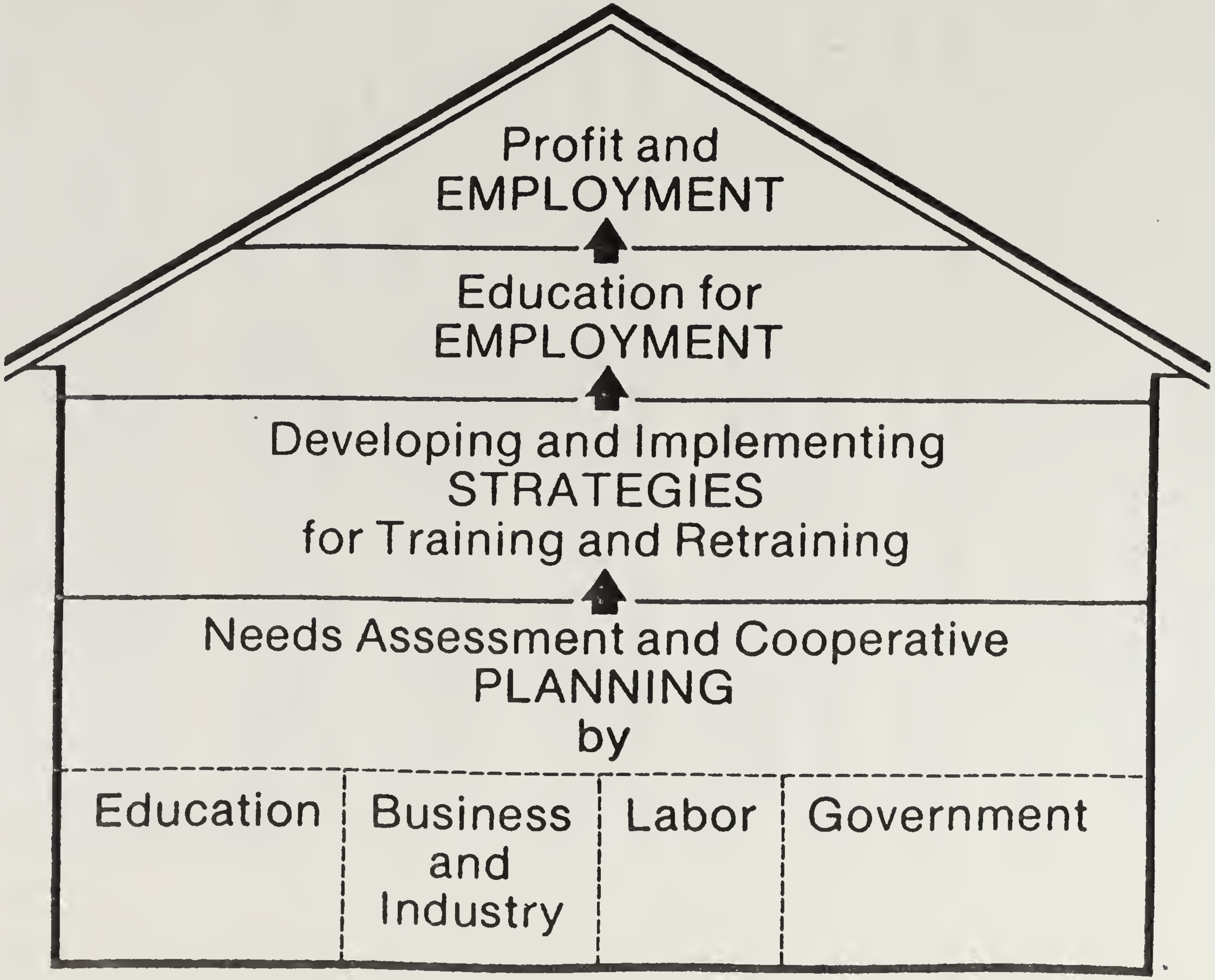
Increasing Productivity Conferences

1. How to Capitalize on Increases in Defense Spending?
2. How to Increase International Trade?
3. Strategic Planning.
4. Effective Utilization of Economic Data.
5. The How of Agricultural Products Marketing.
6. Effective Personnel Practices for Older Workers.
7. the How of Marketing Tourism.
8. Effective Utilization of Human Resource Data.
9. What Can be Done to Help Make Industry as Profitable in the Northern Illinois Area as It Is in the Sun Belt States? (A Management and Labor Dialogue)
10. Role of Agribusiness in Illinois Economic Development—Dialogue for Cooperative Arrangements.

REASONS FOR BUSINESS FAILURE

1. Lack of experience
2. Lack of capital
3. Poor location
4. Too much inventory, particularly the wrong kind
5. Excessive purchase of permanent equipment
6. Poor credit-granting practices
7. Unwarranted personal expenses
8. Unplanned expansion
9. Faulty attitudes
10. Heavy expenses
11. Poor collections
12. Inadequate sales
13. Incorrect inventory management
14. Competitive weakness

Human Resource Development is a Critical Component in Building for a Sound Economy and is Achieved by



Profit and
EMPLOYMENT

Education for
EMPLOYMENT

Developing and Implementing
STRATEGIES
for Training and Retraining

Needs Assessment and Cooperative
PLANNING
by

Education

Business and Industry

Labor

Government

MAJOR PROJECT OBJECTIVES

1. To promote avenues of partnership between and among education, business, industry, labor, government and community based agencies so as to foster and strengthen regional economic and human resources in the seven county Northern Illinois Region of Boone, DeKalb, Kane, Kendall, Lee, Ogle, and Winnebago so as to improve the business and economic conditions n the area.
2. To utilize a wide array of research strategies in facilitating business and industry in retention and expansion efforts.
3. To provide business and industry decision-makers with both economic forecasting and human resource data on a regular basis to assist them in strategic planning.
4. To explore, create and promote cooperative planning efforts which will facilitate the development and implementation of effective economic and human resource development strategies at all levels—local, regional and state.
5. To design and employ innovative strategies of serving the human resource and technical service needs of business, industry and agriculture particularly in those industries and occupational areas where there are labor market shortages.
6. To design and deliver alternative methods of human resource development including the providing of short term customized training for business and industry.
7. To coordinate the design and implementation of educational programs that match the human resource needs of business and that maximize the scarce resources of business, labor, education and government.
8. To design and implement an administratively effective structure that will allow for a managable coordination of a large number of agencies involved in providing economic development and human resource development programs.
9. To create a regional model for economic and human resource planning that can be replicated in other regions of the state.
10. To increase the public awareness of education's role in economic revitalization, job creation and increased productivity.

Advantages?

Major Advantages for Educational Institutions

1. Participate in the design and implementation of cost sharing treasures so as to maximize the utilization of scarce public and private sectors resources such as staff, equipment, and facilities.
2. Participate in a wide array of interagency communication and coordination of activities among and between business industry-labor so as to eliminate duplication of efforts and programs.
3. Provides a vehicle for each agency to demonstrate their concern and responsiveness to the broader and more complex regional economic and human resource needs of business and industry.
4. Demonstrates to business, industry and community concerns for regional economic climate of area.
5. Provides opportunity to demonstrate expanded mission and to make requests for increased support from both private and public sector sources.

6. Maintains autonomy of existing agencies in responding to the broader regional needs of business and industry while collaborating with other agencies on complex problems in broader area.
7. The major portion of additional costs for implementing the consortium to be provided if proposals to be submitted are funded.
8. To participate in an innovative needs assessment and implementation model program in human resources and economic development.
9. Create a climate for additional collaborative efforts among and between educational institutions.
10. To demonstrate that the educational system at all levels can work together in providing the leadership and if effective in economic revitalization, job creation and increased productivity.
11. Assisting instruction staff and programs to keep abreast with both changing pedagogy and technology.
12. Help increase the capacity and sensitivity of institutions to serve the divergent needs of agriculture, business, industry and labor.

Next Steps ?? ??

Next Steps

April & May	Gain support of secondary schools and area vocational centers including the designation of a representative.
	Gain support of economic development agencies including the designation of a representative.
May & June	Submit consortium funding proposals to Illinois Department of Commerce and Community Affairs, Department of Adult, Vocational and Technical Education and other appropriate agencies.
July & August	Hold first meeting of consortium as whole, structure executive committee, and begin to develop program of work for consortium.
	Operationalize consortium.

Exhibit C

Economic and Human Resource Development Requires Cooperation of Education at all Levels, Human Resource Agencies, and Economic Development Agencies

Educational Institutions

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- Aurora Area Chamber of Commerce
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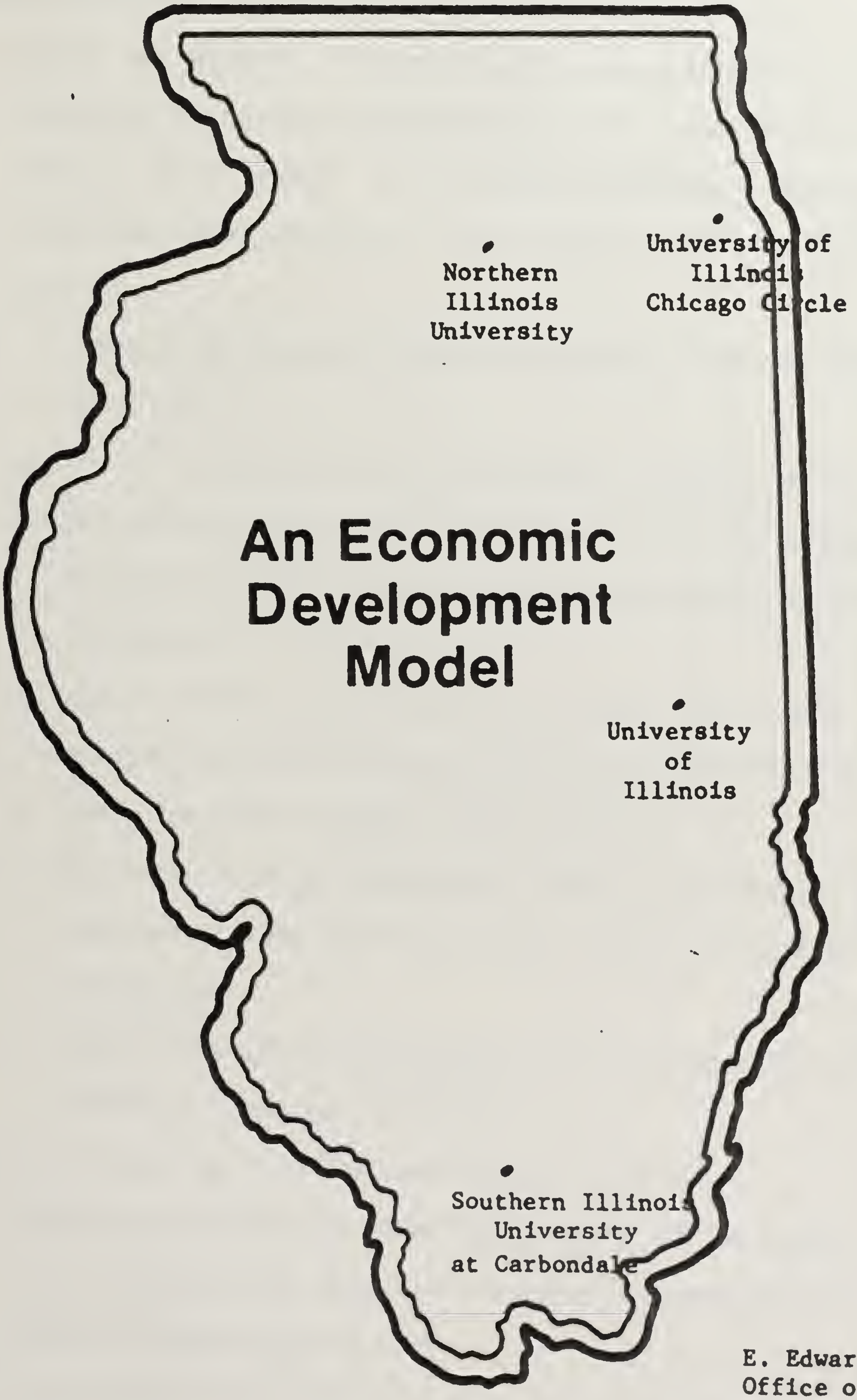
- Economic Development Committee and Sycamore Area Chamber of Commerce
- DeKalb Economic Development Commission
- Designated Individuals Responsible for Economic Development in Other Major Cities Such as Batavia, Belvidere, Carpentersville, Dundee, Mt. Morris, Oregon, Oswego, and St. Charles

Exhibit D

KEY TO STATE OF ILLINOIS PLAN FOR ECONOMIC DEVELOPMENT IS FOUR UNIVERSITY-BASED CENTERS SERVING REGIONS OF STATE


Northern Illinois University
University of Illinois Chicago Circle
An Economic Development Model
University of Illinois
Southern Illinois University at Carbondale

E. Edward Harris, Director
Office of Business Researc
Northern Illinois Universit
May 10, 1982

EIGHT ESSENTIAL COMPONENTS OF ECONOMIC DEVELOPMENT IN THE STATE OF ILLINOIS

1. Economic Development Training for personnel at all levels--
    - design and implement a comprehensive training program for Illinois Department of Commerce and Community Affairs retention and expansion regional staff members, local economic development personnel and individuals from educational institutions and other agencies to include:
        a. Economic development instruction available from the University of Illinois
        b. How to interprete and utilize economic and labor market data
        c. How to utilize the wide range of technical assistance and training facilities and programs and other resources available in the state
        d. How to utilize financial and other data to assist both prospective new business and industry and existing firms in their long-term strategic planning efforts
        e. How to utilize the educational, human resource and economic development agencies in the state to impact on economic development
        f. How to help cities acquire AAA status and therefore be more effective in economic development
2. Technology training and facility capabilities identified--
    - identify and publish the technology programs and facilities in state including both short-term customized training and long-term educatin programs--AVTE & IBHE
3. HITS, PIC and CETA training efforts and linkages with educational institutions--DCCA

4. Business and Industry Retention and Expansion Data--
    - analysis existing data collected and support computerized system for improving usability of data on regional and statewide basis--DCCA
5. Statewide and Regional Economic forecasting--
    - utilize existing data base at the University of Illinois and secure additional data from private and public agencies--DCCA & IBHE
6. Local and Regional Labor Market Data Base and Utilization--
    - expand current statewide and county data base available at Northern Illinois University to include provisions for regional data--DCCA & IBHE
7. Research and consulting capabilities identified and published--
    - Fully implement FRATS Program for University of Illinois, Northern Illinois University, Southern Illinois University (Carbondale), University of Illinois/Chicago Circle--IBHE & DCCA
8. Identify and publish Economic Education Program available--NIU

CONTINUE TO SUPPORT EXISTING AGENCIES THAT ARE CURRENTLY PROVIDING ECONOMIC DEVELOPMENT SERVICES

1. Statewide Economic Data .... University of Illinois

2. Labor Market Data .... Northern Illinois University and Other Institutions

3. Economic Education .... Illinois Council on Economic Education on Regional Centers

4. Business and Industry Retention and Expansion .... Department of Commerce and Community Affairs

5. Employment Training Program Capabilities Identified .... Illinois Community College Board

PROGRAM OF WORK FOR IMPLEMENTING PLAN FOR ECONOMIC DEVELOPMENT IN STATE OF ILLINOIS

1. By July 1, 1982, help support the creation of a marketing oriented model for economic development in a geographic region that would provide the cooperation and coordination of educational human resource and economic development agencies at all levels. The individuals in these agencies would be able to:
    a. Be effective in performing local economic development activities
    b. Interprete and utilize economic and labor market data
    c. Identify and utliize the wide range of technical assistance and training facilities and programs (both private and public) and other resources available
    d. Utilize marketing strategies to sell educational services to business and industry
    e. Utilize financial and other data to assist both prospective new business and industry and existing firms in their long-term strategic planning efforts
    f. Utilize the unique capabilities of educational, human resource and economic development agencies in the state to impact on economic development
    g. Help cities acquire AAA status and therefore be more effective in economic development
2. By August 1982, assist in designing and implementing a twenty hour pilot program of instructional for local economic development personnel and educators involved in economic development

3. By January, 1983, assist in the design and implementation of a first draft competency based training program for the personnel description in #2.
4. By July 15, 1982, assist in planning and implementing the productivity conferences
5. By June 15, 1982, help to marshall resources, both private and public, needed for both regional and state-wide economic forecasting
6. By August, 1982, work to establish criteria for AAA city status
7. By September, 1982, participate in the designing of Governor's Blue Ribbon Education and Training Commission
8. By September, 1982, prepare a program of work for implementing State of Illinois Economic Development Plan
9. By August, 1982, make commitment to support and assist in implementation of regional economic development model
10. By January, 1983, assess impact of model and make plans for expanding model on state-wide basis

Exhibit A

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NORTHERN ILLINOIS REGIONAL ECONOMIC DEVELOPMENT AND HUMAN RESOURCES CONSORTIUM--A MARKETING STRATEGY APPROACH

Dr. E. Edward Harris, Director
Office of Business Research
College of Business
Northern Illinois University

Thank you for this opportunity to share with you some of my thoughts on Economic Development and to acquaint you with a few of the Economic and Human Resource Development activities that we are engaged in at Northern Illinois University. It is very clear to me after eight months of careful study, meeting with numerous corporate executives, attending meetings with economic development planners, and visits to business and economic researchers in the Sun Belt States that Economic Development is a multi-faceted and complex activity that must involve numerous agencies both in the private and public sector. Successful Economic Development in Northern Illinois will require extensive cooperation among (1) Educational agencies at all levels--including universities, community colleges, and secondary schools; (2) all types of Human Resource agencies such as the Illinois Department of Commerce and Community Affairs, Private Industry Council, Comprehensive Employment Training Act Prime Sponsors, State Advisory Council on Vocational Education, Illinois Job Services Offices, Illinois Department of Adult, Vocational and Technical Education, Illinois Employment and Training Council, and State of Illinois Commission for Economic Development; and (3) Local Economic Development organizations, Labor and Management councils, and Chamber of Commerce.

This point was made most clear on March 8, 1982, in the conference room of one of the major corporations in the Northern Illinois area after a five-hour meeting involving six representatives of the company (including three Vice Presidents), seven representatives of Northern Illinois University and representatives from the Illinois Department of Commerce and Community Affairs, and from the Council of 100. When the President said in so many words, "If we didn't have such a major capital investment in this area, we would consider moving not only the portion of our operation now under consideration but our total operation to a location where we could operate more profitably." What would the impact of the loss of this 50-70 million dollar business be to a community, and to the state of Illinois? What can be done to help this corporation to be as profitable in Illinois as it would be in the Sun Belt States?

It is my belief that the economic development must begin by fostering and strengthening business and industry retention efforts. It is also my belief that vocational education can play both a leadership and participation role in the economic development scenario.

I would like to address what I feel are three of the most significant problems related to economic and human resource development today and in the next two decades. I would also like to share with you briefly some of the research we have been doing to impact on these problems and describe for you a proposed model for impacting on these three problem areas called, "The Northern Illinois Regional Economic and Human Resource Consortium--A Marketing Strategy Approach."

THREE ECONOMIC AND HUMAN RESOURCE PROBLEM AREAS

Based on my research and development activities I believe that three of the most significant problems related to economic and human resource development facing the Northern Illinois area and the United States today and that will continue to plague us in the next two decades unless action is taken are:

(1) Declining productivity and inability of business and industry to expand and implement new technology.

(2) Increase in business failures.

(3) Failure of business and industry to meet unmet needs of older workers.

Let's look briefly at each of the problem areas and some of the research and development activities that we have been engaged in at Northern Illinois University that I believe to be responsive to each of the three problem areas.

PRODUCTIVITY

The seriousness of the declining productivity and inability of business and industry to expand was highlighted in the February 15 issue of the Wall Street Journal, with the report that the nation's factories operated at a seasonally adjusted 70.4% of capacity in January; in the motor-vehicle and parts industry this figure was only 43.6%. The United States has dropped from first to seventh in productivity.

Dr. Herbert Striner, recognized expert on productivity issues states, "The wealth of any nation is a well-trained, specialized labor force." Yet, according to Striner, "The U.S. has shown itself unwilling to invest in major training and education efforts to serve the skill needs of our private and public sectors. This inadequate investment in human resources is directly tied to our problems of inflation and productivity."

To help resolve the problems related to productivity, we have been working on three strategies at Northern Illinois University that we believe are most appropriate. First, we have been working with weighted financial ratios to design a model for predicting the potential for business success and failure. Recently, the Illinois Department of Commerce and Community Affairs funded a research and development project that will begin in June, called "Pilot Research Study to Develop and Test a Model for Forecasting Business Success and Failure." This model will enable us to identify those specific businesses in 15 high priority sic areas, both within the state of Illinois and throughout the country, with potential for expansion. The model is being designed specifically to assist the Illinois Department of Commerce and Community Affairs staff members in attracting new businesses to Illinois, assisting existing firms to remain in the state, and also to encourage them to expand. The stated objectives of the research activity are as follows:

(1) Developing an evaluation tool for city and state planners in measuring current economic strength of businesses and industries.

(2) Developing an evaluation tool for city and state planners in measuring the attractiveness of specific companies and industries.

(3) Developing an "early warning" tool for use by companies, creditors, and debtors.

(4) Developing an evaluation tool for those companies that are interested in acquisitions and mergers.

(5) Developing an evaluation tool for industry associations to measure industry health and/or interfirm comparisons.

(6) Providing a tool to assist the Commercial and Industrial Development staff members to improve efforts in locating "qualified prospects."

(7) Assisting Private Industry Councils in renewing funding requests so that those firms with the greatest potential for growth and expansion are given top priority.

At Northern Illinois University a second research and development area related to improving productivity in which we have been engaged in is business and economic forecasting. We have purchased for $1,500 a SAS Time Series Computer Software Program to assist us in preparing industry-specific quarterly economic forecasts on a regional basis. The economic forecasting data will be compiled and interpreted on a quarterly basis for both corporate executives and economic planners on the Northern Illinois University campus beginning next fall. To this date, both the Graduate School and Computer Service Department at Northern Illinois University and Dekalb Agriculture Research have committed significant support to this activity and additional financial support has been promised from other private sector sources. Subscribers to the service will also receive a monthly newsletter to assist them in strategic planning. This service will eventually be self-supporting.

The necessity for economic forecasting has been highlighted by recent Dun and Bradstreet Reports showing that business failures for the first two months of 1982 have grown the fastest since records have been kept. How can an executive plan without accurate updated information? Why do states such as North Carolina, Tennessee, Georgia, Oklahoma, and South Carolina have lower business failure rates? Could it be that they utilize extensively state and regional economic forecasting models to provide business decision makers with accurate information to assist them in their strategic planning: to illustrate the importance of economic forecasting data let's consider for a minute that a new tax policy is under consideration in the state such as the proposed new tax on liquor and insurance here in Illinois. How will these new taxes affect employment levels? What business and economic importance will these new employment levels have? How might the employment shift be distributed? What implications will this have for liquor manufactures in Peoria, insurance companies in Chicago, insurance agents in Rockford, and school board members in St. Louis? In many of the Sun Belt States information to such questions would be available because they utilize extensively regional economic forecasting. In fact in the state of Tennessee, where there was a constitutional amendment passed in 1978 which limits the rate of growth of state government expenditures to the rate of growth of the Tennessee economy, they spend as much as $300,000 annually on economic forecasting research and development.

I strongly believe that accurate regional economic forecasting data provided on a quarterly basis would make a major contribution to the ability to business and economic planners in Northern Illinois to make intelligent decisions and to improve and expand their productivity.

To further assist agriculture, business and industry to expand and prosper in the Northern Illinois area next fall, we are in the process of making plans to co-sponsor a series of nine one-day drive-in invitational conferences with the Illinois Development Council, the Northern Illinois University College of Business Research Advisory Board, and hopefully the Illinois Department of Commerce and Community Affairs. The overall theme for the nine conferences will be "Increasing Productivity." While specific conference topics have not been selected yet, they will focus on those areas that have the greatest potential for business and economic growth in the Northern Illinois area. Some of the tentative topics include

(1) How to Capitalize on Increases in Defense Spending?

(2) How to Increase International Trade?

(3) Strategic Planning.

(4) Effective Utilization of Economic Data.

(5) The How of Agricultural Products Marketing.

(6) Effective Personnel Practices for Older Workers.

(7) The How of Marketing Tourism.

(8) Effective Utilization of Human Resource Data.

(9) What Can be Done to Help Make Industry as Profitable in the Northern Illinois Area as It Is in the Sun Belt States? (A Management and Labor Dialogue)

(10) Role of Agribusiness in Illinois Economic Development--Dialogue for Cooperative Arrangements.

Focus group marketing research techniques will be employed during the conferences. Data will be analyzed, and the marketing researchers will then meet with the DCCA staff approximately two weeks after the conference to suggest marketing strategies for them to consider using in assisting firms with potential for growth and expansion.

BUSINESS FAILURES

The second problem area that we have been trying to impact on is the alarming increase in business failures. Dun & Bradstreet reported that business failures soared to 529 in the week ending February 11, the highest number in the past 40 years.

To assist the increasing numbers of entrepreneurs desiring to go into business for themselves and to help decrease the alarming failure rate, we are working to design a computer program so that local economic development personnel can utilize a micro-computer in computing for a prospective business owner the amount of money needed to start up and operate a business in that particular community. This research and development activity will be piloted in Rockford, Illinois, in the near future. This concept came from Tom Stapleton, Director of the Council of 100 in Rockford. The Council of 100 is an organization composed of 100 firms who have each committed $1,000 for a three-year period to fostering and improving the business and economic climate in the Rockford area.

In examining the 14 reasons for business failure provided by the National Center for Vocational Education listed below, it is easy to see what a large number of them relate to planning and financing which is precisely the thrust of our research and development activities.

Lack of Experience
Lack of Capital
Poor Location
Too Much Inventory, Particularly the Wrong Kind
Excessive Purchase of Permanent Equipment
Poor Credit-granting Practices
Unwarranted Personal Expenses
Faulty Attitudes
Heavy Expenses
Poor Collections
Inadequate Sales
Incorrect Inventory Management
Competitive Weakness

In considering the impact of this activity, do keep in mind that:

(1) 70% of the employees in the U.S. work for small businesses;

(2) 95% of the businesses in the U.S. are small businesses;

(3) 44% of the GNP comes from small business;

(4) 1 out of 8 people are self-employed;

(5) 440,000 new businesses start each year;

(6) almost half of small businesses fail in the first two years ;

(7) Mid career-change often leads to starting own business and the population is getting older so there will be more such change;

Also keep in mind that 653 businesses failed in the state of Illinois in 1980, for a 77% increase over 1979, while nationally there was a 55% increase; and that Dun and Bradstreet reported that in the first two months of 1982 the business failure rate was at an all time high.

UNMET NEEDS OF OLDER WORKERS

The third and possibly most explosive problem area facing our country in the next two decades is related to the failure of business and industry to meet the unmet needs of older workers.

Based on research currently being conducted at Northern Illinois University with the financial support of Beatrice Foods, Motorola, and Dekalb Agriculture Research, there appears to be three very clear findings that must be analyzed carefully in the development and implementation of personnel strategies and highlight the unmet need of older workers for pre-retirement training. First, in the United States in the 2000's, we will have the largest proportion of over 65 year olds in the work force in the history of America. Second, research does show that pre-retirement training programs do serve to encourage individuals to think and plan ahead to improve their transition from full work to complete and successful retirement. Third, results oriented pre-retirement-training programs are not being effectively implemented, even by the largest firms in the United States.

Let us briefly take a closer look at each of these findings and then examine some solutions to help in better serving the unmet needs of older workers.

Today, 16 out of 100 persons in the United States are at least 60 years old, compared with only 12 out of 100 in 1950. However, the middle range projections of the Bureau of Census indicate that 24 out of every 100 persons in the population will be 60 years old or over by 2030. A study of 6,000 randomly selected members of the American Management Association in 1981 reports that (and I quote):

> "If the older managers who responded to this survey are typical of American managers within five years of retirement, we can expect a dramatic change in the average age of retirement during the next five years. And the change is likely to prompt a massive reexamination of relevant policy and procedure in most companies. Over 40 percent of those respondents over age 60 indicated that they intend to keep working past age 65, and 18 percent would like to keep going until age 70 or older."

While the research results are not as clear on what the impact of the Age Discrimination Employment Act of 1978 will be on older non-management employees, it does appear that a smaller percentage of these individuals will choose to work longer than is the case with older managers. However, a number of developments that have contributed to the heightened interest in the older workers needs to be analyzed including the following two with implications for vocational education.

(1) The projected national shortages of workers in numerous skilled occupations makes the necessity of retraining many of these older workers at least on a part-time or consulting basis essential.

(2) The increasing desire of older workers to move into retirement gradually by working part-time or pursuing second careers creates a need for career counseling as an essential part of any pre-retirement training program.

You might want to think a moment what this means to you and your firm. What would the implication be for your firm if 40 percent of your managers over age 60 worked past age 65 and 18 percent of them worked to age 70 or older? What problems would it create? What would it cost? Would pre-retirement training help in alleviating some of the problems? Research also clearly demonstrates that pre-retirement programs serve to encourage individuals to think and plan ahead and ease their transition from full work to complete and successful retirement.

Research also shows that while 85% of employees believe that their employers should provide for their pre-retirement traning, studies conducted by the Conference Board show that this need has not been effectively met by a significant percentage of employers today. The 1980 Conference Board publication entitled America's Aging Population: Issues Facing Business and Society highlighted the unmet need for pre-retirement training. In reality only 1.5 percent of the 800 employers surveyed are providing both training and conseling for the seven recognized areas of pre-retirement training. The study also reported that a survey of chief executive officers and personnel directors of the Fortune 100 corporations--conducted in July, 1979, by Research & Forecasts, Inc. revealed that a substantial majority of respondents were keenly aware of the need for pre-retirement counseling, yet most of the corporations did not have a program addressing this need. However, nine-tenths of the personnel directors felt that in the future 'companies will be more committed to retirement planning' and three-fourths of the CEO's whose companies had no retirement preparation program thought they should establish one.

Northern Illinois University, in response to these findings, is in the process of conducting results oriented research to identify the key concerns and needs as perceived by workers of three selected businesses in the Chicago area and to prescribe activities for a pre-retirement program so that employees will look forward to and enjoy retirement. We have successfully completed the basic pre-retirement training needs assessment research thanks to the partnership and generous support with Motorola, Beatrice Foods, and DeKalb Agriculture Research. We are now directing research and development efforts at Northern Illinois University to better serving the needs of older workers in the following areas:

(1) Development of competency based curriculum materials to be used in the two pilot pre-retirement training programs that we plan to run this summer on a cost recovery basis.

(2) Determining the cost-effectiveness of the pilot pre-retirement training program in terms of factors such as job performance, job satisfaction, and retirement satisfaction.

(3) Improving the performance appraisal processes and procedures of workers and managers.

I feel very strongly that pre-retirement training and performance appraisal are both potentially cost-effective research and are development areas which deserve to be placed in the top priority in human resource activities.

CREATING A CLIMATE FOR ECONOMIC AND HUMAN RESOURCE DEVELOPMENT

In summary, it is my belief that economic and human resource development has to start with a climate being created so that business and industry can grow and expand. Therefore, this past year at Northern Illinois University, we have been engaged in research and development activities to help alleviate the following three economic and resource development problem areas:

(1) Declining productivity and inability of business and industry to expand and implement new technology.

(2) Increase in business failures.

(3) Failure of business and industry to meet the unmet needs of older workers.

Fortunately we have been able to secure significant support for these activities from a number of major corporations, DCCA, Council of 100, the Northern Illinois University Graduate School, Northern Illinois University Computer Service, and the College of Business.

REGIONAL ECONOMIC AND HUMAN RESOURCE MODEL

We now have the basic research and development completed and are ready to move toward testing and implementation of a regional economic and resource development model. To do this I am proposing the creation of a Northern Illinois Economic and Resource Development Consortium that will utilize a marketing strategy approach. This approach is being proposed because I do believe education has a role to play in economic development.

Increasingly, educational programs are going to have to be more responsive to both human and economic development needs. Educators have a responsibility to help plan for and provide youth and adults with the type of education needed to function effectively and to help strengthen the American economic system. In addition to human resource development, educators also have an opportunity to provide leadership in fostering and strengthening business and economic conditions. The long term benefits of human resource and economic development activities that are effectively planned and implemented in concert will go a long way in helping to strengthen business and economic conditions in any region, state, or nation.

Participating in joint efforts to attract, retain, and expand business and industrial endeavors should be the top priority for educators. For all too long educators and businesses have functioned in isolation. The condition of the local, state, national and international economy has too much of an impact on education for this state of isolation to continue.

The need for expanding efforts to coordinate the activities of public and private agencies providing a wide array of human resources and economic development services has never been more evident. Cooperative ventures established at the regional and state levels can make a significant contribution in improving the efficiency and effectiveness of the services of both agencies and expand options for youth and adults.

The need to create a structure and climate for the effective exchange of information, resources, and cooperative planning among agencies will be increasingly essential as resources from both private and public sectors continue to be more increasingly scarce. Creative linkages and cooperative planning can do a great deal in facilitating the transition of individuals from school to work, improving communications, making education and training efforts more sensitive to the needs of business and industry, helping improve worker productivity, and in assisting with cooperative efforts to integrate school and work processes.

The benefits for education in a business-industry-labor-education viable participatory working relationship include increasing the number of educational programs, keeping abreast with current practices in business, and improving the image of vocational education. The benefits for businesses and communities involved are similarly too numerous to mention but include increased profits for the individual firms, higher standards of living for workers, and improved living conditions for the residents of the community. The marketing strategy approach to regional economic and human resources development is unique. The implementation of the approach begins by learning as much as possible about the consumer of the products through an analysis of financial records and other similar strategies. Once this is accomplished those firms with potential for growth are invited to participate in one or more conferences on topics with growth potential such as defense and international trade. Marketing research techniques will be employed during the conferences to gather information. The marketing research and financial data will then be used by Department of Commerce and Community Affairs staff personnel who have been prepared by the Marketing and Finance staff at NIU to work with those employers with potential for expanding their operation.

OBJECTIVES

The objectives of the Northern Illinois Regional Economic and Human Resources Consortium are as follows:

(1) To promote avenues of partnership between and among education, business, industry, labor, government and community based agencies so as to foster and strengthen regional economic and human resources in the seven county Northern Illinois Region of Boone, DeKalb, Kane, Kendall, Lee, Ogle, and Winnebago so as to improve the business and economic conditions of the area.

(2) To utilize a wide array of research strategies in facilitating business and industry in retention and expansion efforts.

(3) To provide business and industry decision-makers with both economic forecasting and human resource data on a regular basis to assist them in strategic planning.

(4) To explore, create and promote cooperative planning efforts which will facilitate the development and implementation of effective economic and human resource development strategies at all levels--local, regional and state.

(5) To design and employ innovative strategies of serving the human resource and technical service needs of business, industry and agriculture particularly in those industries and occupational areas where there are labor market shortages.

(6) To design and deliver alternative methods of human resource development including the providing of short term customized training for business and industry.

(7) To coordinate the design and implementation of educational programs that match the human resource needs of business and that maximize the scarce resources of business, labor, education and government.

(8) To design and implement an administratively effective structure that will allow for a manageable coordination of a large number of agencies involved in providing economic development and human resource development programs.

(9) To create a regional model for economic and human resource planning that can be replicated in other regions of the state.

(10) To increase the public awareness of education's role in economic revitalization, job creation and increased productivity.

ORGANIZATION AND STRUCTURE

Create an organizational structure for the Northern Illinois Regional Economic and Human Resource Consortium such as one shown below to include an executive planning committee. The Consortium would meet monthly and the executive committee would meet weekly.

COUNTIES

BOONE
DEKALB
KANE
KENDALL
LEE
OGLE
WINNEBAGO

MAJOR CITIES

AURORA
BARTLETT
BATAVIA
BELVIDERE
CARPENTERSVILLE
DEKALB
DUNDEE
ELGIN
GENEVA
GENOA
HANOVER PARK
MT. MORRIS
OREGON
OSWEGO
PLANO
ROCHELLE
ROCKFORD
SANDWICH
ST. CHARLES
SYCAMORE
YORKVILLE

EDUCATIONAL INSTITUTIONS

- Northern Illinois University
  - College of Business, Office of Business Research
  - Center for Governmental Studies
  - Illinois Council on Economic Education
  - Coordinator of Vocational and Technical Education
  - College of Continuing Education
- Rock Valley College
- Elgin College
- Waubonsee College
- Kishwaukee College
- Secondary Schools and Area Vocational Centers

HUMAN RESOURCE AGENCIES

- Illinois Department of Commerce and Community Affairs--Private Industry Council and Comprehensive Employment Training Act Prime Sponsors
- State Advisory Council on Vocational Education
- Illinois Job Services Offices
- Adult, Vocational and Technical Education--Regional Vocational Administrators and High Impact Training Services
- Labor and Management Councils
- Illinois Employment and Training Council
- State of Illinois Commission for Economic Development

ECONOMIC DEVELOPMENT AGENCIES

- Illinois Department of Commerce and Community Affairs
- Council of 100 and Rockford Area Chamber of Commerce
- Director of Community Development and Geneva Area Chamber of Commerce
- Elgin Area Chamber of Commerce
- Greater Rochelle Economic Development Association
- Aurora Area Chamber of Commerce
- Valley Industrial Association, Aurora
- Economic Development Committee and Sycamore Area Chamber of Commerce
- DeKalb Economic Development Commission
- Designated Individuals Responsible for Economic Development in Other Major Cities such as Batavia, Belvidere, Carpentersville, Dundee, Mt. Morris, Oregon, Oswego, and St. Charles

SUMMARY

The foundation of economic and human resource development is fostering and strengthening business and industry retention and expansion. Human resource development is a critical component in building a sound economy and can best be achieved by effectively coordinating the needs assessment, planning, training, and retraining efforts of public and private agencies.

With productivity declining, business failures on the rise, and unemployment reaching 10 to 12 percent in many Illinois counties, it is essential that regional planning that is truly responsive to the needs of business and industry be implemented.

Creative linkages and cooperative planning can do a great deal in facilitating the transition of individuals from school to work, improving communications, making education and training efforts more sensitive to the needs of business and industry, eliminating duplication of efforts, and helping to improve productivity.

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April 21, 1982

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ILLINOIS EMPLOYMENT AND TRAINING COUNCIL AND THE STATE ADVISORY COUNCIL ON VOCATIONAL EDUCATION PUBLIC HEARING
NOVEMBER 16, 1982, CHICAGO, ILLINOIS

Dr. E. Edward Harris
Director, Office of Business Research
Northern Illinois University
DeKalb, Illinois

INTRODUCTION

Thank you for the opportunity to update you on the progress that has been made in the implementation of the economic development model entitled, "The Northern Illinois Regional Economic Development and Human Resources Consortium" that was presented to the State Advisory Council on Vocational Education on March 18, 1982, and the Illinois Employment and Training Council on April 21, 1982. The original model, as you may recall, asked for your support for the continuing development of the model and related activities. The model had two major goals. (See Exhibits A and B for both a narrative and visual description of the model.) The first goal of this model has been to foster and strengthen business and industry retention and expansion efforts through a wide array of research and development activities such as the following:

* The creation of a model for forecasting business success and failure, based on weighted financial ratios,

* Regional business and economic forecasting on a quarterly basis,

* Development of a micro-computer software package to assist local economic developers in working with prospective business in computing the costs of doing business in a given community,

* A computerized system for determining the needs of older workers and a competency-based, cost-effective model for pre-retirement training, and

* Utilization of a wide array of other research, educational, and technical assistance capabilities in facilitating commerce and industry in retention and expansion efforts.

The second major goal has been to create a management system for human resource development. This facilitating and coordinating process model has been designed to maximize the utilization of the scarce resources of business, industry, labor, education and government. The design includes implementing education and training programs to serve the diverse needs of commerce and industry.

The major thrust of this portion of the model was to help design and implement a system that would be responsive to the following key findings. These findings highlight the problems and needs relative to the role of human resource development in the total economic development scenario.

The problems are:

* There is a critical shortage of highly skilled workers.

* There is a critical mis-match between the skills of unemployed and displaced workers and available high-skill jobs that cannot be filled.

* Accelerating technological change is making the skills of the employed work force obsolete.

* Public sector training facilities are obsolete, worn out, and limited. People are not being trained to replace our aging skilled labor force.

* There is a fragmented, uncoordinated and inadequate approach to human capital development in public and private sector programs. Current approaches have little interaction, causing missed opportunities and creating unnecessary costs.

PROGRESS

During the past nine months, a number of research and development activities have been initiated that when fully implemented will greatly facilitate the efforts of local, regional, and state economic development personnel in fostering economic development.

Thanks to the financial support of the Illinois Department of Commerce and Community Affairs and Northern Illinois University, the pilot research study to develop and test models for forecasting business success and failure is now completed and is being reviewed for possible applications. Every indication is that the instrument developed will serve as a useful device in identifying businesses that are financially healthy and which, therefore, have at least the potential for expansion.

Also underway is a second research and development project involving a micro-computer program that will help local economic development personnel in providing information to prospective businesses who are considering a given community. The micro-computer software package being developed for Rockford will be able to compute and provide a visual display and a printout of financial data, such as wages, taxes, and unemployment compensation. This data needs to be compiled and analyzed before a business would consider relocating into a community. This micro-computer software package is even being expanded to make provisions for updated community profile information.

The third research project which is well on its way to being operationalized is a computerized system for determining the pre-retirement training needs of older workers. This activity is being funded by three major corporations.

In terms of the total project, as the overall management system has been developing, a number of intangible benefits have resulted in this systematic process which may prove to be significant. For example, a meaningful dialogue

has been created between the top administrators of Northern Illinois University and the four participating community colleges. Research is also being conducted on the roles that educational, human resource, and local economic development agencies can play as a part of the total economic development team. Exhibit C clearly shows the complexity of a seven-county area and the need to coordinate efforts. Probably one of the most encouraging aspects of the total activity is the degree of commitment which has been given to economic development by key leadership within the northern Illinois region.

A LOOK AHEAD

During 1981-82, Northern Illinois University has both made a commitment and has been successful in securing significant private and public sector support for economic development activities in excess of $100,000. This significant level of financial support demonstrates both the community and Northern Illinois University's commitment to economic development in the state of Illinois. While Northern Illinois University will continue to make a sizeable contribution to economic development, funding is also being sought from other agencies to increase the impact of these efforts. Also, there is the need to engage in participatory partnerships with other educational institutions, human resource agencies, and economic development agencies, and to demonstrate shared resources and expenditures. During 1982-83, cooperative public sector financial support is being requested from both the Illinois Department of Adult, Vocational, and Technical Education and the Illinois Department of Commerce and Community Affairs.

Northern Illinois University and the Illinois Department of Adult, Vocational, and Technical Education have finalized contractual arrangements for operationalizing a portion of the model relative to human resource development. Specifically, the five objectives of the project are:

(1) To provide the training of educators in the marketing of educational services to commerce and industry,

(2) To instigate cooperative projects and activities between Northern Illinois University and other providers of education and training,

(3) To provide training in the utilization of labor market data by educators involved in economic development,

(4) To operationalize the Northern Illinois Economic Development Consortium, and

(5) To institutionalize the Northern Illinois University Presidential Economic Development Commission.

The following statements from a research study conducted by the Northeast-Midwest Institute support the cooperative human resource training activity that is planned within this joint project:

> "American workers face an uncertain economic future. Technology and foreign trade are making millions of existing jobs obsolete. The academic and functional skills of most workers are too antiquated for the new replacement jobs that already are emerging. Neither business nor government is adequately prepared to help workers with retraining or adjustment assistance. In sum, America needs, but lacks, a national training strategy.
>
> The absence of such a strategy is a major barrier to America's economic renewal. Thus we are overlooking critical means to generate economic growth and strengthen the competitiveness of the U.S. economy--namely, improving the quality of the performance of the American work force. Yet, investment in workers is as essential to national economic renewal as investment in improved land, equipment, and technology. After all, more complex machines and more sophisticated technologies require better trained workers."

A CALL FOR ACTION

There is a need for Northern Illinois University to enter into a long-term participatory partnership with the Illinois Department of Commerce and Community Affairs to implement the proposed model for economic development. The need is highlighted by research conducted at Brookings Institute, Massachusetts Institute of Technology, Northeast-Midwest Institute, and The Urban Institute. The implications of research conducted at both the Massachusetts Institute of Technology and Brookings Institute on job creation need to be carefully analyzed by policy-makers. The Massachusetts Institute of Technology Research shows that 50 percent of the jobs in a given area change every five years and that 80 percent of the replacement jobs are created by firms with 100 or fewer employees, and that 89 percent of the newly created jobs are in the service sector. However, the research conducted at the Brookings Institute shows that a significant portion of the growing, small establishments are branches of subsidiaries of large firms. "In fact, nearly half of the establishments with 20 to 99 employees are owned or controlled by larger firms." This means that, in general, the net employment growth contributions of both small and large businesses appear nearly proportional to their respective shares of the labor force.

Brookings Institute offers the following recommendations in planning for economic development.

> "Although the increase in employment attainable through the location of a large branch of a major firm is attractive, such occurrences are relatively rare and unlikely to provide the jobs needed for economic revitalization or survival. Furthermore, larger firms have the financial and managerial resources to shift their focus to expanding industries and regions while curtailing operations in declining areas. Thus, an obvious note of caution is due against over-reliance on large multi-location firms as a foundation for long-term economic development.

> An intrinsic part of the community, small business is more responsive to local influences, more willing to adapt to local conditions, and less likely to migrate to other locations. The tendency of small businesses to enter and expand into relatively weak areas of production provides an important moderating influence that can slow or even interrupt the decline of weakening regions and industries. In addition, the rates of employment growth in small businesses (8.3 percent) is somewhat higher than in large businesses (6.9 percent). This suggests that small business might provide better long-run prospects for increasing job opportunities."

Dr. David Birch, Massachusetts Institute of Technology, believes that the "Thoughtware Revolution" of the late 1900s may well be as significant to the quality of life in the United States as the Industrial Revolution was in the early 1800s. His research shows that every place in the country has to replace about 50 percent of its job base every five years.

It is also important to note that research reported by The Urban Institute shows that less than one percent of the annual employment change is due to relocation of commerce and industry. Therefore, the 50 percent job change in a given community or region must by necessity be responded to by economic development personnel and agencies located in that geographic area. The following statements by Dr. Birch further support the proposed comprehensive model for economic development. Dr. Birch, in discussing the strategies for reversing economic problems in the Midwest, states:

> "I'd think a lot about the needs of smaller knowledge-based business here. I'd particularly worry about higher education and providing a very well-trained labor force. In a knowledge-base, brains will be our chief resource without question, and everything you can do to promote that would be by far the most important."

To help implement the above research finding and to design and test short- and long-term strategies for effectively responding to the 50 percent change in the job base that is going to be replaced every where in the country in the five years, a number of participatory partnerships between universities and the Illinois Department of Commerce and Community Affairs, that I have carefully studied this past year, should be developed at the earliest possible date. These recommendations are based on the following five premises.

1. There are regional economic development needs and differences in the state that can in most cases be addressed most effectively on a local or regional basis,

2. Economic development personnel, if given the proper education and tools, can serve as an effective "sales force" in a given area,

3. The replacement of 50 percent of the jobs in a given area in a five-year period of time will not take place without effective private and public sector cooperative arrangements on a local and regional basis,

4. Education, at all levels, has a key role to play in the total economic development scenario in the state of Illinois, and

5. Universities must make a commitment to utilize a portion of their research and development capabilities in addressing economic development issues and concerns.

Listed below are nine recommended strategies that have the potential for improving the economic climate in the state of Illinois that should be implemented:

1. Expand the test model for forecasting business success and failure. The advantages of this research are too numerous to enumerate fully but include:

   * Development of a tool to assist the economic development personnel to improve efforts and efficiency in locating "qualified prospects"

   * Providing assistance to private industry councils in renewing funding requests so that those firms with the greatest potential for growth and expansion can be given top priority

   * Development of an evaluation tool for economic development personnel to measure industry health and/or to make interfirm comparisons

   * Development of an evaluation tool for economic development personnel to assist in measuring the financial strength of businesses and industries

   * Development of an evaluation tool for economic development personnel to measure the attractiveness of specific companies and industries

2. Train local economic development commission chairpersons, staff, and their committee members. The training would primarily be designed for individuals who have not attended the basic economic development course at the University of Illinois. The training program would include topics such as the following:

   * Marketing
   * Prospects and Prospecting
   * Financing
   * Site Location
   * Transportation
   * Utilities
   * Promotion
   * Utilization of Labor Market and Economic Data
   * Community Planning

3. Establish a graduate level program in economic development that would be offered on an alternating Friday and Saturday basis similar to the structure of an executive M.B.A. program. Courses in the program would include:

   * Land Use Planning
   * Location Analysis
   * Geographic Information Systems
   * Seminar in Economic Development
   * Graduate Survey of Marketing
   * Financing the Business Enterprise
   * Principles of Business Organization
   * Public Relations for Economic Development Personnel
   * Additional Courses in Governmental Studies, Geography, and Business

This concentrated program would enable Illinois economic development personnel to achieve in approximately one year what it now takes them four years or more to learn in Oklahoma.

4. Conduct market segmentation research to determine the most important characteristics desired by firms in the two fields with the greatest potential for growth in the next two decades: information, and what is commonly termed "conservation." Information will include computers, robotics, biotechnology and transmission technologies such as laser and fiber optics. Conservation will include both the human and ecological kinds, from health care to already established conservation efforts such as solar energy, more efficient use of raw materials and waste disposal.

5. Utilize marketing research strategies to assist communities to determine their competitive advantages. Special emphasis needs to be placed on how to market the strengths of a given region of the state because one of the greatest needs of both economic development personnel and individuals from business and industry is how to use effective strategies in marketing their communities, products, and services. In northern Illinois, the greatest potential seems to be in areas such as:

   * Information Processing
   * Agriculture
   * Manufacturing
   * International Trade
   * Tourism
   * Agri-Business Products and Services
   * Transportation
   * Defense

6. Conduct a series of marketing oriented seminars on how to utilize effective strategies in selling local communities and their products and services. The focus group marketing research technique will be used during the seminars to develop strategies on topics such as:

   * How to Capitalize on Increases in Defense Spending?
   * How to Increase International Trade?
   * How to Increase Sales of Agricultural Products?
   * What Can Be Done to Help Make Industry as Profitable in the Northern Illinois Area As It Is In The Sun Belt States? (A Management and Labor Dialogue)
   * What is the Role of Agri-Business in Illinois Economic Development? (A Dialogue for Cooperative Arrangements)

7. Continue the research and development activities described earlier in this presentation and in Exhibits A and B that will provide effective tools for economic development personnel and executives in commerce and industry such as: (A) Regional Economic Forecasting on a quarterly basis to assist in strategic planning, (B) Micro-computer software packages for computing financial data to assist businesses in making location decisions by providing them with accurate information quickly, computerized least-cost transportation and other similar computer models, and (C) Increasing the productivity and job satisfaction of workers aged 55-65.

8. Fully operationalize "The Northern Illinois Regional Economic Development and Human Resources Consortium--A Marketing Strategy Approach" with the goal in mind of working on a regional basis in a systematic manner to help correct problems such as those described below:

   * Public- and private-sector programs have little interaction, causing missed opportunities and creating unnecessary costs.

   * Although there are 22 separate programs to assist the nation's displaced workers, they operate independent of each other and help only a miniscule portion of those workers who are displaced.

   * There is no clear allocation of responsibilities for employment and training policies between and within the individual levels of government.

   * The public training programs that do exist serve less than 8 percent of the population; they focus primarily on the economically and culturally disadvantaged and provide some entry level training while giving very limited attention to retraining employed workers and upgrading their skills. Yet over 90 percent of those who will be working in 1990 and over 75 percent of those who will be working in the year 2000 already are adults, and most are working now. Thus, the nation's success in renewing the economy will depend heavily on its success in sharpening the skills of current workers.

   * The lack of programs to either identify or fill critical technological skills shortages.

   * Public incentives overwhelmingly favor capital and technology investments over worker training as a route to productivity growth. In 1981 the annual expenditure on training by American firms was $300 per worker, versus over $3,300 per worker in capital investment.

   * Throughout the 1980s, two of every three new workers will be women, yet virtually no sector of our society--business, government, religious, academic, or public interest--is integrating women into the work force effectively.

   * Large numbers of workers who possess critical technological skills are retiring, and replacements are not being trained.

   * The most productive age group--the 25- to 44-year-old workers--will comprise over 54 percent of the American work force by 1990; these workers can make an impressive contribution to economic renewal, but only if their skills can be upgraded or they can be retrained.

9. Operationalize the proposed economic development model in which the key to the state plan is four university-based centers serving the diverse regions of the state. Northern Illinois University, University of Illinois, University of Illinois - Chicago Circle, and Southern Illinois University at Carbondale were selected because of their research capabilities and location. A draft copy of this proposed model is contained in exhibit D.

SUMMARY

The following conclusion to the report of the Northeast-Midwest Institute entitled Retooling The American Work Force clearly identifies the problem.

> "Economic renewal must be the fundamental goal of American domestic policy (at all levels) for the balance of this century. In the debate over how to generate economic growth and strengthen the competitiveness of U.S. industry, one critical means of restoring productivity growth often is overlooked: Improving the quality of the performance of the American work force.
>
> Even if the nation relies primarily on increased capital investment and technological innovation for achieving productivity gains, advanced technologies and complex machines require highly skilled workers. Indeed, investment in American workers is as crucial to economic renewal as investment in improved plant, equipment, and technology.
>
> At this critical juncture in America's economic life, it is both necessary and possible to use America's human capital as a major resource for economic renewal. However, if this is to happen, substantive reform of the nation's employment and training policies, institutions, and programs is required. Such reform involves more than tinkering with existing policies, but less than wholesale change. It calls for a comprehensive, unified approach to employment and training policy that effectively and coherently coordinates efforts by all levels of government, the private sector, and workers."

The key question is what will each community and state in the nation do as technology changes every three to five years and 50% of the job base changes during the next five years? What leadership will be provided at local, state, and national levels?

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